

EUROPEAN NEWS

TWELFTH FRANCO-BRITISH SUMMIT

Mitterrand to seek boost for missile project

BY IAN DAVIDSON IN PARIS

THE FRENCH President, Mr Francois Mitterrand, will seek to give new political impetus to the project for an air-launched nuclear-armed missile...

given sharply increased priority by the French Government ever since the US-Soviet INF agreement...

Technically, such a disagreement could be the direct consequence of the differences in the characteristics of the next-generation combat aircraft...

two prototypes, could be too small to carry the size of missile desired by the UK. But French sources imply that the difficulties over the technical characteristics of the proposed air-launched nuclear weapon are not purely technical...

control on conventional forces and chemical weapons in Europe, and above all the need to exclude British and French nuclear weapons from super-power negotiations.

Turkish lira sinks further on free market

By Jim Rodger in Ankara

A DRAMATIC slump in the value of the Turkish lira this week on the unregulated domestic markets is continuing...

The slide to 24 per cent more than the official central bank rate has been blamed partly on popular mistrust of the Turkish currency.

The lira rallied slightly on the free markets against the dollar following the warning by Mr Ozal to banks on Wednesday that their licenses might be revoked if speculation were not checked...

Spain stands firm on rights to fish in Moroccan waters

SPAIN is even more determined to hold out for a better deal with Morocco over fishing rights after a decision by the European Commission to pay Ecu3m (\$3.6m) compensation...

Now that Brussels is negotiating on Spain's behalf for renewed rights to Morocco's rich fishing grounds, Madrid has stiffened its resolve to end the gradual erosion of its fleet...

Officials in Rabat, who say 70 per cent of Spanish fish exports come from Moroccan waters, want to cut Spain's quota on conservation grounds.

According to fisheries officials in the Canary Islands, 50,000 people depend directly or indirectly on the Moroccan fishing grounds...

Spain refuses to accept any cut in the 700,000 tonnes from the Canary and from southern Spain that habitually fish in Moroccan waters. It will, however, accept a 15 per cent cut in the squid catch...

As Spanish officials see it, if Rabat was obdurate, Brussels was less than tough. The Commission's compensation terms, in addition to allowing Spain to sit out the dispute for the time being, buttressed the Spanish view that the problem is one for the Community to solve.

Tom Burns in Madrid and Francis Ghiles in London report on how Spain is resisting the erosion of agreements struck before it entered the European Community

Morocco, citing conservation, insists that the Spanish squid catch be cut by 45 per cent over four years. Specialists, however, dispute the conservation argument, at least with regard to squid. Moroccan negotiators have offered Spain a fourfold or fivefold increase in its take...

Spain apportions equal blame to Morocco and to the European Commission for the end-of-year collapse of the fishing agreement negotiations...

The Commission's compensation terms, in addition to allowing Spain to sit out the dispute for the time being, buttressed the Spanish view that the problem is one for the Community to solve.

Madrid officials are glad the Community is at last confronting the difficulties of negotiating with Morocco and feel Brussels should bring greater pressure to bear. "We fish in their waters, but Moroccan citrus products, which are sold cheaper than ours in the Community, are transported through Spain," said one Spanish official.

Death of Fuchs, Soviet atom spy

PROFESSOR Klaus Fuchs, the East German physicist jailed in 1950 in England as a Soviet atom spy, died yesterday aged 78, according to the East German news agency, Reuter reports from East Berlin.

A German Communist forced to emigrate to Britain by the Nazis in the early 1930s, he spied on nuclear secrets at British atomic research centre at Harwell near Oxford for three years until unmasked in 1949.

The US Congress Atomic Energy Commission said his spying helped speed up the Soviet Union's atomic weapons programme by 18 months.

He moved to East Germany after serving a two-year prison term in a 14-year sentence passed by a British court in March 1950 for espionage.

Prof Fuchs then became a pillar of East German society as deputy director of the country's nuclear research institute at Rossendorf, near Dresden.

He had worked in the anti-Nazi underground movement for two years before he was forced to flee to France and later to England where he arrived in 1933.

He took a science doctorate at Edinburgh University. In 1940, he was rounded up together with other Germans in Britain and sent to Canada as an internee. Upon his return to Britain and Britain and then to Glasgow University, he became a naturalised Briton.

In 1942, he was offered a job as an atomic research assistant and in December 1943 he was sent to the US as a member of Britain's atomic energy mission and remained there until June 1946, working closely on the development of the world's first atomic bomb at Los Alamos.

Upon his return to Britain, he was appointed deputy scientific director of the British Atomic Energy Research Institute at Harwell.

Meanwhile, it became increasingly apparent that atomic information was being leaked to the Russians, but it was many months before Fuchs was identified as the source.

Under interrogation, he confessed and was charged with passing secret information to the Russians over a period of several years.

East Germany jailed a dissident yesterday as its press kept up a barrage of tough articles aimed at Bonn.

Mr Wolfgang Schnuer, a Protestant Church lawyer, said Mrs Vera Wollenberger had been sentenced to six months' jail for unlawful assembly.

The prosecutor demanded eight months at Wednesday's trial and Mr Schnuer, who had called for an acquittal, described the lower sentence as a sign "that one can still be hopeful".

Mr Giovanni Goria's coalition government ran into further difficulties on Wednesday evening when it suffered another defeat in the Italian Chamber of Deputies, where the 1988 Finance Bill is being debated.

A Communist amendment to one of the bill's articles was carried by 286 to 217 in a secret vote. The amendment cancels a proposed increase in the rate of withheld tax on bank and post office deposits.

Bonn growth target under fire

BY DAVID MARSH IN BONN

THE BONN Government said yesterday it was aiming for growth in the West German economy of 1.5 and 2 per cent this year. But the projection, contained in the Government's annual forecast report, was immediately criticised as over-optimistic by the opposition and trade unions.

The report, which contains no economic policy initiatives, would have a major deficit of central, regional and local governments will rise to a larger than expected DM70bn (\$23.5bn) from DM54bn in 1987.

Growth last year was 1.7 per cent, below the government target of 2.5 per cent.

Mr Martin Bangemann, the Economics Minister, presenting the report, admitted that the projection for this year was ambitious, in view of forecasts by several economic research institutes that growth would be between 1 and 1.5 per cent.

Repeating his aversion to pessimism over economic prospects, Mr Bangemann pointed out that this year's expected growth would continue to be sustained by domestic demand.

Unemployment is foreseen to grow by 60,000 on average this year to 2.3m, around 9 per cent of the workforce.

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Martin Bangemann ambitious projection

Inflation is forecast to stay well under control, with consumer prices rising by 1 per cent against an increase of 0.6 per cent last year.

The government projection assumes an increase in real exports by 1.5-2.5 per cent, following a 1.5 per cent increase in 1987. This is in line with the government's projection of continued robust domestic demand, has been attacked by the opposition Social Democratic Party, which believes the Kohl administration is underestimating the effects on West German competitiveness of the decline in the dollar.

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Caution in Denmark on Soviet arms offer

By Hilary Jones in Copenhagen

MR BERNST Jørgensen, Denmark's Minister of Defence, is highly sceptical about Soviet proposals for creating a better balance in conventional weapons between Nato and the Warsaw Pact.

"I want to see it before I will believe it," he said. "The current threat from the Warsaw Pact against Nato has not ebbed in any way."

In the Baltic, in which Denmark has an immediate interest, the Soviet build-up of new types of vessels and other military facilities had continued unabated.

The build-up is of an offensive character, and this has not changed. "You don't defend yourself with amphibious vessels," he added, referring to one of the Soviet proposals for a few years in Soviet amphibious troop-carrying capacity.

Mr Jørgensen was also dubious about proposals made by Mr Mikhail Gorbachev, the Soviet leader, for reducing military activity in the maritime areas of the Arctic north of Norway.

"Tension has arisen because of the enormous build-up of Soviet strength in the Kola Peninsula and the Barents Sea."

The Danish minister said that further details of the Soviet proposals, contained in a speech by the Soviet Prime Minister, Mr Nikolai Ryzhkov, in Oslo last month seemed calculated to drive a wedge between the Nordic members of Nato - Denmark, Norway and Iceland - and their allies.

The Soviet suggestion was that the Nordic countries could send observers to Soviet fleet exercises in northern waters and could monitor Soviet vessels entering the Baltic to ensure they do not carry nuclear weapons.

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Murdoch may launch satellite news channel

BY RAYMOND SNOODY

MR RUPERT MURDOCH, chief executive of News Corporation, is looking at the possibility of launching a satellite television news channel for Europe to compete with Mr Ted Turner's Cable News Network.

A study is being carried out on the feasibility of the project and Mr Murdoch is enthusiastic about the concept.

The aim would be to put the channel on Astra, the 16-channel television satellite scheduled for launch towards the end of this year.

Mr Murdoch believes that News Corporation, which owns television stations as well as newspapers, has much of the resources needed to launch a news channel.

"Eventually we would want a service that is European rather than British or French, produced simultaneously in different languages," said Mr Murdoch.

He confirmed that, subject to negotiations on price, he was planning to put up to three television channels on Astra, a medium power satellite designed to deliver television programmes to dishes on individual homes as well as cable networks.

Mr Murdoch said he planned to transfer Sky, his existing general entertainment satellite channel, to Astra and use the satellite to transmit Eurosport, the new European sports channel being created by News International and a consortium of Europe's broadcasting organisations, including the BBC.

"It is conceivable that the Astra satellite will be picked up all over England on a 60cm dish, and in quite large parts with a 45cm dish," said Mr Murdoch during an interview in New York earlier this week.

Mr Murdoch said he was sceptical about the prospects for British Satellite Broadcasting, the UK direct broadcasting satellite venture, even though he has a small indirect stake in the venture through his 20 per cent stake in Pearson, one of BSB's founder shareholders.

Mr Murdoch fears the \$625m BSB venture is too costly and that the difference between the size of receiving equipment needed to pick up Astra's 16 channels and that of BSB's high power satellite will be great enough to give BSB a decisive commercial advantage.

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Panic sweeps Soviet hard currency shops

By Charles Hodgson in Moscow

SOVIET citizens who travel or work abroad are to lose the right to exchange their foreign earnings for hard currency coupons used to buy luxury goods in special shops.

The Soviet authorities announced yesterday that they are to phase out the coupons by July 1, ending what they described as a "negative phenomenon." Instead, hard currency will be exchanged for rubles at an official exchange rate or may be kept in foreign currency accounts at the State Bank for Foreign Economic Affairs (Vnesheconombank) for use on trips abroad.

The move, which had been rumoured for some time, has led to a special hard currency beriozka stores in Moscow, which sell Western consumer goods, foodstuffs and liquor unavailable in ordinary shops.

The youth newspaper Kommolskaya Pravda yesterday published a shocking article about lengthy queues at shops desperate to unload their stock of coupons. It quoted the manager of one of Moscow's biggest hard currency shops as saying that shoppers were "buying things that no one has ever bought before or wanted to buy" - cheap French perfume and soap to three-piece suits.

The head of the local foreign currency shops association told the daily that trade had increased fivefold in the last quarter and that shops were having to stay open up to two hours longer in the evenings to cope with demand.

He added that the police had been called to control queues. The existence of beriozka stores has long been a source of resentment to ordinary Soviet shoppers, who regularly have to queue for lengthy periods to buy goods in short supply. They have also led to speculation in both the coupons themselves and the goods available, and have encouraged a thriving black market in hard currency.

The move appears to be aimed primarily at stamping out this speculation and the shops themselves will stay in business.

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Paul Betts and Ian Davidson on a Pentagon decision that may enhance defence co-operation

US set to soften line on technology transfers

IF THE PENTAGON goes ahead with its decision to collaborate on the development of a low-cost radar for the ambitious French advanced combat aircraft programme, Rafale, which is due to come into service in 1996, it would also give the US a foothold in one of the most important new European combat aircraft projects.

The fate of the Rafale programme had been in the balance for several months until Mr Jacques Chirac, the French Prime Minister, confirmed his government's commitment to the project this week. But the French authorities have been increasingly anxious to collaborate on the Rafale to reduce the costs and spread the risks of the project led by Dassault-Breguet, the French military aircraft manufacturer, and including the state-controlled Thomson group and the state Saecma sero-engine maker.

The Americans, for their part, have been seeking to discourage the Europeans from going ahead with their independent new generation fighter aircraft projects. But in the light of the apparent failure of this policy of discouragement, the Americans have looked for ways of securing access to these projects.

An American decision on the TI-Thomson technology swap would also be followed-up soon by Pentagon approval for a similar radar technology transfer agreement between Hughes Aircraft of the US on the one hand, and AEG of West Germany and GEC of Britain on the other, to collaborate on the radar for the future European Fighter Aircraft (EFA) being jointly developed by Britain, West Germany, Italy and Spain as a rival to the Rafale.

Mr Dennis Kloske, the US Deputy Undersecretary of Defence for planning and resources, who has been spearheading the radar technology transfer negotiations, indicated this week that the Pentagon was expected to approve the Hughes radar deal next month.

Mr Kloske is now due to lead a US delegation to Paris next week to negotiate final details of the memorandum of understanding between the two countries to complete the TI-Thomson agreement. The memorandum is expected to spell out the details of the technologies to be transferred as well as the restrictions and conditions of exports of the new radars or aircraft equipped with the radar to third parties. However, it appears that the Americans may attempt to insist that the memorandum include a ban on exports. In such circumstances, it might well be rejected by the French Government.

These conditions are clearly designed to stifle political opposition to the radar technology transfer in Washington. In the view of the highly sensitive political and defence nature of the issue, the US Defence Department set up an appraisal task force last August to consider radar technology transfers. At the time, Mr Kloske said this would be an issue which would dominate high technology discussions for co-



The French Rafale fighter due to come into service in 1996

operation programmes with Western allies for the next decade. But the special task force was also designed from the beginning to serve as a framework for the eventual transfer of other sensitive technologies to US allies. Mr Kloske indicated this week that the decision on the TI-Thomson transfer underlined America's great interest in co-operation with its allies in the aerospace sector.

For Thomson, the decision is particularly important because it will enable the French state-controlled group to reduce significantly the size and weight of components for the Rafale radar. In return for TI's air-to-surface radar technology, Thomson will transfer its leading edge air-to-air radar technology to the US company. This

will open up the air-to-air radar business for TI which has concentrated until now mainly on air-to-surface radars. The French Government's decision confirming its commitment to the Rafale programme has also been an important boost for Thomson as it is another major French defence group which has suffered from the slump in big defence export orders. The French Government also indicated this week it had no plans to acquire US-built F-16 fighters for the French navy to replace the existing Crusader fighters which will become obsolete in 1993, three years before the Rafale is due to enter service.

The Rafale programme, which is expected to involve initial orders of 330 aircraft for the French air force and navy in 1996, has long been regarded as crucial to Thomson as it is the mainstay of its sales for Dassault. But until recently, there had been some doubt about Thomson's ability to supply the appropriate radar for the Rafale. With the TI technology, however, the French group is expected to have access to the necessary components to develop a suitably small and light radar system for the Rafale.

But a radar technology agreement and the new opportunities it opens for transatlantic defence co-operation have many questions. European industrialists will continue to be wary of American efforts to obstruct Europe's export capabilities and it will certainly not specify US industrial and political interests.

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Rome finance bill suffers fresh setback

By David Lane in Milan

MR GIOVANNI GORIA's coalition government ran into further difficulties on Wednesday evening when it suffered another defeat in the Italian Chamber of Deputies, where the 1988 Finance Bill is being debated.

A Communist amendment to one of the bill's articles was carried by 286 to 217 in a secret vote. The amendment cancels a proposed increase in the rate of withheld tax on bank and post office deposits.

The government had planned to raise the tax rate from 25 to 30 per cent and this increase had already been put into effect from January with the publication of a decree law.

The measure aimed to obtain L3,750bn (\$1.7bn) of additional revenue, though some experts consider that a more likely yield would have been about L2,000bn. Given the size of the majority against the measure, it is widely believed that members of Mr Goria's own Christian Democrat Party were among those who voted the cover of the secret vote to shoot down the measure.

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The measure aimed to obtain L3,750

OVERSEAS NEWS

S African television 'witness' murdered

THE MYSTERIOUS murder of an 18-year-old black youth in Soweto has given a new and violent twist to the row between the South African Government and CBS, the American television station.

CBS is currently awaiting a decision on its future in the country after government protests against the controversial programme called 'Children of Apartheid' which was made clandestinely last year.

The murdered youth, Sicelo Godfrey Dhlomo, who was shot in the head half a mile from his home, appeared on the programme, which also featured President P.W. Botha's daughter Roxanne. He claimed that he had been tortured by police in detention and feared for his life.

Last week, the youth, who worked for the Detainees' Parents Support Committee was picked up by police and interrogated at John Vorster Square police station. After his murder the police issued a statement saying that after interrogation he had made a sworn affidavit which accused CBS of having instructed him what to say on camera.

He was interviewed by a certain news agency director who instructed him to tell, into camera, how and when he had been tortured and how he was manhandled and beaten. He said he then started to talk and told what had been dictated to him, the police statement said.

The accusation was repeated at a by-election meeting on Wednesday night by Mr Adrian Vlok, the Minister of Law and Order, who added that "we were busy with the investigation and badly wanted the boy to tell the world how he was misled to spread lies about South Africa."

The charges brought a swift rebuttal from New York yesterday as CBS "categorically denied the coaching of interviewees" adding that it was "deeply saddened" by Mr Sicelo's death and was anxiously awaiting further information.

Review offers to publish with no advertising

THE Far Eastern Economic Review, the Hong Kong-based weekly magazine, has offered to publish in Singapore a special edition carrying no advertising in a bid to resolve a dispute with the Government of Prime Minister Lee Kuan Yew which has led to circulation being limited to 600 copies a week from a normal level of more than 10,000.

The line of succession is clear but the choices in foreign policy are not, writes Andrew Marshall

North Korea is left sulking in its solitary tent

NORTH KOREA, the reclusive, the so-called "hermit kingdom," has retreated further into its shell this week with the announcement of diplomatic sanctions from Japan, the US and the EC.



Kim Jong Il 'Dear Leader'

Ironically, it had seemed last year that the glacial relationship between North Korea and the rest of the world might be thawing. Then, in November, a South Korean airliner disappeared with 115 people on board.

North Korea is a maverick state in the international system. Ruled by one man, Kim Il Sung, since 1948, it is diplomatically isolated, its political processes are closed to foreign scrutiny and it is aggressive and unpredictable in its conduct.

As the State Department readily admits, this will have little practical impact. The main casualty is likely to be a UN Development Fund office in Pyongyang.

Japan, which has more contact with the North than the US, has pitched in with sanctions of its own. These include stricter control of contacts between Japan and North Korea, a ban on all flights between the two countries and restrictions on shipping and visiting North Korean sailors.

Trade between the two countries will continue, but it only amounts to some \$400m a year. North Korea has hit back with counter-sanctions, banning contact with US diplomats, barring Americans from entering the country and refusing to negotiate with Washington for the return of the remains of US soldiers killed during the Korean War.

The rupture of US diplomatic contact, and North Korea's moves, mark a turning point of sorts. Egged on by the Chinese, who are keen to ease relations on the peninsula, Washington had decided only last year to allow US diplomats the dubious pleasure of exchanging views with their North Korean opposite numbers at third-country cocktail parties.

Though this was a tiny shift, it was Washington's way of recognising North Korea's growing openness. For some time, visitors have commented on the change of atmosphere in Pyongyang, though it could hardly be said to be Korean glass.

Relations with the Soviet Union and China have become more complex with changes of leadership and economic liberalisation in Moscow and Peking, and a warming of bilateral relations between the two. The North's position appears increasingly marginal, and China in particular has made no secret of its desire to see some limited rapprochement on the peninsula.

But the slow thaw in Pyongyang has been complicated by what appear to be serious internal disagreements. Kim Il Sung, the Great Leader, is now 75, known to be ill, and is unlikely to live much longer. After his death, he will be succeeded by his son, Kim Jong Il, who is known as the Dear Leader.

Though the succession is clear, the choice of policy for the new leader is not. The pragmatists in the bureaucracy would like the state to ease its hold over the economy, relax relations with the US and to move towards some arrangement with the South.

The hardliners, apparently including the Dear Leader, resist this, preferring a state of permanent conflict and isolation to buttress party control. In these circumstances, the best interpretation that can be made is that the destruction of the airliner was a successful attempt by the security apparatus to derail any easing of the country's relations with the South and the US.

There is past precedent for this. Indeed, to many American diplomats, there is a rather tiresome sense of déjà vu. The last time that a thaw in relations seemed to be on the cards, in 1983, it was abruptly halted by a bomb in Rangoon, allegedly planted by the North Koreans, which killed three members of the South Korean cabinet.

The events of the past two months must also be of particular frustration to the Chinese, who were the main sponsor of improved relations between Washington and Pyongyang. Relations between China and North Korea are already complicated by Pyongyang's renewed friendship with the Soviet Union. This incident will further test Chinese patience.

Pyongyang has now returned to the old rhetoric of confrontation and veiled threat. It is notable that both China and the Soviet Union are still set on going to the Olympics, an event which will be a highly visible embarrassment to the North. Both of its major allies will be present at what will be, in effect, a shop window for South Korea's economic and political success.

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North Koreans held a mass rally yesterday to protest against what the Government calls US and South Korean military provocation, Reuter writes from Tokyo.

The official North Korean Central News Agency quoted Choe Tae-Bok, secretary of the ruling Workers (Communist) Party, as condemning "Team Spirit 88", a joint South Korean-US military exercise, as an open declaration of North-South confrontation.

About 200,000 American and South Korean troops will take part in the 10-week annual manoeuvres, billed as the largest military exercise in the non-Communist world, a spokesman for the combined forces command in Seoul said yesterday.

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PLO takes aim at rival radio

By Andrew Whitlay in Jerusalem

A CLANDESTINE radio station widely listened to in the occupied territories has been denounced by the Palestine Liberation Organisation for creating divisions among Palestinians by broadcasting the names of people said to be collaborating with Israel.

The denunciation, broadcast from Baghdad by the PLO's official radio earlier this week, coincided with fresh evidence that the new radio - calling itself Radio El Quds - is being backed by Syria.

Radio El Quds earlier this week broadcast a message of support for the intifadah, the uprising, from Mr Ahmad Jibril, leader of the Syrian-backed Popular Front for the Liberation of Palestine-General Command, the PFLP-GC. Israeli intelligence has concluded recently that its broadcasts are coming either from the Syrian-controlled Bekaa region of Lebanon, or else from Damascus itself - making it harder to be put out of action.

For the PLO's Voice of the Palestinian Revolution, in Baghdad, its message to its listeners was "to guard against such suspect radios" said to be seeking to don Palestinian cloth. By naming "enemy agents" within Palestinian ranks, what the upstart station was doing was to damage the continuous common front recently forged in the territories.

Sihanouk worries Peking

By Robert Thomson in Peking

PRINCE Norodom Sihanouk, the Kampuchean resistance coalition leader, was greeted here yesterday by a Chinese Government spokesman, seriously concerned at the peace talks he is conducting with officials of the Vietnamese-backed regime in Kampuchea.

On his arrival, the unpredictable Prince said the talks with Hun Sen, the regime's Premier, have a "50 per cent chance" of success, though he denied reports that he was willing to drop his senior coalition partner, the Khmer Rouge.

Peking has particularly close relations with the Khmer Rouge, which it assisted during the murderous rule of Pol Pot, and officials here are known to be worried by the prospect of the Prince reaching an agreement that would lessen the Khmer Rouge role in the coalition.

The Chinese are convinced no settlement is possible until Hanoi withdraws its troops from Kampuchea. The Prince said the Vietnamese have no choice but to negotiate a solution, though he characterised them as "tricky".

The Chinese need the Prince because he gives international credibility to the coalition, which they support with arms and money. That credibility is already clouded by the membership of the Khmer Rouge and the continuing influence of Pol Pot.

Prince Sihanouk has long been uneasy about the presence of the Khmer Rouge, the most powerful of the coalition's three military forces, and has occasionally described its leaders as "psychopaths".

He is expected to meet Zhao Ziyang, the Communist Party chief, on Monday, and then is likely to visit the North Korean capital, Pyongyang, where the third round of talks with Hun Sen is expected to be held.

Japanese output up

Japan's industrial production index for December showed a 8.6 per cent rise compared to the same month the previous year, Caris Report reports from Tokyo. The index climbed to 133.5 against 100 in 1980. According to the Government, the growth came from increased output of electric machinery, metal products and transport machinery.

THE LONGEST DAY IN PARIS. Fly into Paris from Gatwick, on a day return with one or two airlines we could name, and you've hardly got enough time to catch your breath between 'bonjour' and 'au revoir'.

modern in the world, designed to make flying an altogether quieter and more comfortable experience. All flights are one class, featuring our impeccable 'European Service', which means a choice of meals including a hot breakfast, newspapers, even free drinks. Yet our one way unrestricted fare is only £85.

Lange delays tax reform

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S Labour Government has had to defer the introduction of its radical tax reform package because of criticism that its proposed single-rate tax and changes to family support would leave some lower paid workers worse off.

Prime Minister David Lange, said yesterday the Government now accepted the October 1 introduction date would not allow sufficient time to remove all the anomalies or perfect the details for the proposed minimum family income package, which would coincide with the tax cuts.

The new date for introducing the tax reforms is now likely to be April or May next year. At present New Zealand has a three-step tax structure. The new single rate, still undecided, was expected to be around 25 per cent.

Union leaders, churchmen and welfare organisations have cited examples showing how some lower income families could, in fact, have a lower net income under the proposed scheme.

The tax reform package announced last before Christmas was hailed by Mr Roger Douglas, the Finance Minister, as being a "world first".

Government opponents were claiming last night the fact that Mr Lange made yesterday's announcement at a time when Mr Douglas is overseas indicates opposition to Mr Douglas' free market economic theories within the cabinet and party.

AMERICAN NEWS

Bush faces renewed attack over arms deal

By Stewart Fleming, US Editor, in Washington

SEVERAL OF the leading candidates for the Democratic Party's Presidential nomination turned their fire away from each other yesterday...

They charged that Mr Bush had still not answered key questions about his role in the Iran/Contra arms scandal.

In an angry confrontation on US television on Monday night Mr Bush sought to put the issue of his involvement in the Iran contra affair behind him...

The encounter is widely seen to have helped improve Mr Bush's image among Republican voters.

US criticises Brazil on arms

THE US yesterday criticised the Brazilian Foreign Minister, Mr Roberto Abreu Sodre, for suggesting there was no harm in Brazil selling billions of dollars of weapons to Libyan leader Muammar Gaddafi...

Contras propose power-sharing in Nicaragua

By LIONEL BARBER in WASHINGTON

THE Nicaraguan Contra rebels yesterday proposed a power-sharing arrangement between opposition parties and the Sandinista government.

As talks began with Sandinista representatives in Costa Rica they put forward a plan for an interim government of national reconciliation which would initially exclude Contra military and civil leaders.

The Sandinistas have insisted that the talks, on the Central American peace plan, should be limited at first to a ceasefire.

The Contras, backed by the Reagan Administration, argue that this cannot be separated from political reform.

The talks come one week before the US Congress votes on President Reagan's sharply scaled-down request for \$350m in mainly non-lethal aid for the Contras.

But yesterday Senator Albert Gore, Senator Paul Simon and former Senator Gary Hart, all took aim at Mr Bush and suggested that the Vice-President is not going to find it easy to stem the continuing flow of questions about the decisions he took on the Iran/Contra issue.

Colombian public back drug gang crackdown

By Robert Graham

COLOMBIA'S liberal government of President Virgilio Barco has won strong support for its draconian measures to combat terrorism and break the stranglehold of the drug mafia.

The new laws were triggered by the assassination of Mr Carlos Mauro Hoyos, the Attorney General, on Monday. Drug barons admitted responsibility for the killing. The drug gangs are fighting the extradition of Colombians on narcotics charges to the US.

The murder - near Medellin, home of the drug cartel which controls more than 70 per cent of cocaine supplied to the US - has caused a huge outpouring of national grief. In this atmosphere the measures have won support more to relieve a sense of outrage than through a genuine belief in their effectiveness.

The laws include tougher punishments for acts of terrorism, payment of individuals who provide information and the commuting of sentences in return for information.

In addition, sweeping powers have been given to the security forces to detain people incommunicado. The judiciary will be increased by almost 5,000 officials, national service is to be extended to two years and controls tightened on private aircraft, especially helicopters.

Bankers are weighing up the swap terms. Alex Nicoll reports Mexico's high stakes debt offer

MR ANGEL GURRIA, Mexico's director of public credit, is accustomed to making presentations to sceptical bankers. His attempt this morning to persuade British banks to participate in the country's debt exchange offer will be no exception.

They will excuse him for being a little bleary-eyed. In the past week, he and Mr Gonzalo de las Heras, the Morgan Guaranty Trust executive responsible for Latin America, have travelled from the US to Japan, on to several Continental cities and finally to London in their quest for bankers' support for the plan hatched jointly by Mexico and the US Bank.

Since it was announced in December - it is due to come to fruition at an auction on February 18 - the debt exchange offer has been behaving like a couple of rug-dealers each trying to talk the price down or up, and each trying to give the other the impression that their too concerned about the outcome.

They are. Success, though it would mark an important step forward in the handling of the five-year-old debt crisis, would also set a trend for bigger bank losses. It would be a domestic political triumph for Mexico's financial managers. Failure would mean a loss of face for the frontiersmen between Latin American debtors and banks.

Bankers, however, do expect the waiver to be granted without trouble by banks holding the required 60 per cent of each existing loan.

Why does Mexico discriminate between dollar loans and those in other currencies? The bid form for the auction says a bank may not tender non-dollar loans unless it also tenders all its dollar loans...

THE Mexican scheme is an advance but is neither a panacea nor a definitive solution to Mexico's foreign debt burden, says Mr Jesus Silva Herzog, the former Finance Minister, writes our Correspondent in Mexico City.

The bonds "constitute a positive step" but the savings to Mexico would not be as large as thought, and the problem of servicing Mexico's debt could worsen as interest rates will likely rise and prices for raw materials fall, he said.

say is a level at which some banks will bid and at which Mexico will probably accept bids. Clearly, some banks will bid at wider discounts to face value.

At 60 cents, Mexico would make net annual foreign exchange cash flow savings of over \$300m if the full \$10bn of new bonds were issued. Banks might believe 60 cents was worthwhile provided that the new bonds themselves did not fall to a price less than 80 per cent of face value.

More central is a question which will not be answered at today's meeting. What prices will Mexico accept? Bankers calculate that Mexico makes no savings at all unless the old debt exchanged is valued at less than 76 cents on the dollar.

Despite this, bankers generally believe that the two sides could find a meeting point at around 80 cents. This, many

market price for the new bond is highly uncertain and demand is likely to be thin, cash sales of loans remain the best exit strategy for banks.

This is even without taking into account differing accounting and regulatory positions which will influence each bank's decision.

A key factor will be the extent to which each bank is already provisioned. It is doubtful whether large numbers of banks have 40 per cent loan loss provisions against their Mexican exposure - the level at which a 60 cent price might make sense.

Some US regional banks have sharply increased their provisions recently, perhaps as a result of bidding aggressively. But the case for bidding when strongly provisioned is not overwhelming. Banks which have provisioned nevertheless continue to see interest income on the full face value.

Also very important is what regulators determine the risk of the new bonds to be: a thorny problem because of the hybrid between US risk on the principal and Mexican risk on the interest. The US authorities, which like the Japanese have generally taken an accommodative approach to the offer, have determined that the principal is indeed US risk. The Bank of England has yet to make up its mind. Bankers point out that they could be faced with making new provisions for the new bonds according to the Bank's provisioning matrix.

The combination of losses (especially those which some banks simply cannot at present afford), new provisions and uncertain secondary market value could dissuade banks from making realistic bids even though they can see the offer is very important that the offer succeeds.

Some may make token bids to show willing. Others will make genuine offers as a once-for-all exit move. Most will hope that the offer will allow a significant reduction of Mexico's debt burden, thereby enhancing the value of their existing loans. Banks could even argue that not bidding at all is the best strategy; not only does it avoid waving a red rag at Mexico, but also it represents the ultimate statement of confidence in Mexico and the long-term value of its loans.

Bankers, however, have questioned the offer's impact on Mexico's debt burden. They say that Mexico's debt burden will be reduced only if the old debt exchanged is valued at less than 76 cents on the dollar. Mexico clearly expects bids which put a far lower value on the loans. Indeed, Mr Gurria himself has indicated that the secondary market price of 60 cents should be seen as a ceiling rather than as a floor.

Brazil acts to curb civil service salaries bill

By IVO DAWNEY in RIO DE JANEIRO

BRAZIL is to announce radical measures to reduce the salary bill of its federal civil service and state companies.

Among steps under consideration are a ban on recruitment and restricting pay rises to the inflation rate.

Earlier this week Mr Malloada Nobrega, the Finance Minister, met colleagues from five spending ministries to hammer out the wages policy.

Officials have been alarmed at statistics that showed salaries in public sector companies rose by 20 per cent more than inflation last year. State corporations were responsible for the lion's share of the public sector deficit that ended 1982 at 5.4 per cent of gross domestic product, up from the 3.1 per cent of 1981.

Canadian court strikes down abortion law

CANADA'S Supreme Court ruled yesterday that the country's restrictive abortion law is unconstitutional.

The court said the law violated a woman's right to control her own body. AP reports in a 5-2 decision after 16 months of deliberation, the court said the current law, which permits only "therapeutic" abortions approved by hospital committees, violates the fundamental justice guaranteed in the constitution.

The court said the law violates the Charter of Rights and Freedoms enacted in 1982. Many areas, including the province of Prince Edward Island, have no hospitals authorised for abortions.

The ruling mirrors the 1973 US Supreme Court decision striking down the US law restricting abortion.

WORLD TRADE NEWS

Dassault in fighter offer to Indonesia

By John Murray Brown in Jakarta

DASSAULT-BREGUET, the French aeronautics company, has offered a joint manufacturing licence to Indonesia to build its Super-Étendard, the light ground-attack fighter which is now out of production in France.

Mr Serge Dassault, the company president, said in Jakarta yesterday that he had discussed the proposal, under which Indonesia would be able to sell the fighter to other countries in the region, with President Suharto and Dr Jusuf Habibie, the Technology Minister.

The move by Dassault is part of a concerted sales drive by the French defence industry in Indonesia. General Dynamics of the US already has a joint venture agreement, selling its 12 F-16 fighters under offset terms in 1982. Dassault was unsuccessful with its Mirage 2000, despite reportedly offering to cover the full costs under offset and countertrade deal.

British Aerospace with Rolls-Royce has also stepped in with its Hawk 200, the single-engine, multirole combat aircraft.

In November, Rolls-Royce signed a co-operation agreement with IPTN, the Indonesian aircraft manufacturer, in a bid to improve its chances on the deal.

Mr Jacques Boyon, French Secretary of State for Defence, is due in Jakarta next week, heading a large sales team. Paris has its sights set on the new light tank contract, where Aérospatiale is competing with a previous supplier to Indonesia, is likely to be competing with the new FMC Mark 5 tank built by Vickers of the UK.

Norwegians to boost chemical fleet

J.O.ODFJELL of Norway has signed an Nkr450m (£46m) agreement with Sweden's Johnson Line aimed at upgrading its chemical tanker fleet. The deal would make Odjell's fleet the third largest in the world. Krenn Fossill reports from Oslo.

Peter Montagnon interviews a minister with firm views on the Uruguay Round of trade negotiations

Gatt talks 'need' special tactics from Europe

"INTERNATIONAL TRADE politics is not a ladies' tea party," says Mr Michel Noir, France's Trade Minister. "It is a rugby international and you can easily come away with a broken nose."

These are fighting words from a politician who none the less argued in an interview this week that the Uruguay Round of multilateral trade negotiations now under way in Geneva was moving ahead at a satisfactory pace with a good chance of reaching a conclusion at the end of next year.

Tall, good-looking, an accomplished orator, a keen chess player, Mr Noir is one of those politicians who can easily appear larger than life. Yet where the Uruguay Round is concerned, he has his feet firmly on the ground. A certain firmness will still be necessary to ensure it is a success.

Among the conditions for a satisfactory outcome were parallel progress towards improved international monetary stability and a clear determination on the part of both Japan and the fast growing East Asian developing countries of their willingness to open their markets.

Beyond that it would be dangerous to set too much store by specific progress at the time of the ministerial mid-term review of progress in the Uruguay Round, now expected to take place in Canada around the end of the year.

Mr Noir expressed doubts on this review on two fronts. First, the timing was awkward because it would come in the transition period following the US presidential elections. In Lausanne last month, he suggested to ministerial colleagues that the review should be brought forward well ahead of the elections. This week he said the question of timing was "still open."

Second, he warned against US ambitions for the review to reach concrete agreement on specific aspects of the Uruguay Round negotiations. "Those who imagine that it would be good to have a result on one or two subjects would increase the risk for the whole negotiation," he said.

There should thus, he said, be no expectations of concrete results by the time of the mid-term review on either agriculture or trade in services, both of which were areas in which the US has been pushing hard. The essential point about the negotiations was that it had to be treated as a complete package. This is very much in keeping with the conventional European view that there must be no special deals at an early stage which might prejudice negotiations on everything else. "If we really want it (the round) to be a success, we mustn't put ourselves in the worst tactical position."

Global talks to reform world agriculture are unlikely to make major farm policy changes because of sharp differences between the European Community, Japan and the US, according to a US trade expert.

The current round of Gatt negotiations is not likely to produce any major progress toward liberalisation of agricultural trade, said Mr Robert Paarlberg, of the Wellesley College in Massachusetts.

The Reagan Administration's goal of reaching a global farm trade accord to reduce subsidies by the end of 1985 - known as the "early harvest" agreement - was unrealistic, he added.

Mr Noir said he could see no objection to the idea of the Gatt instituting a system of country reviews designed to weed out inappropriate trade policy measures, but he was lukewarm about two proposals from Mr Clayton Yeutter, the US Trade Representative.

He said Mr Yeutter's idea of closer ministerial involvement in the Gatt to give it more political clout was all well and good, but ministers should not get in the way of actual negotiations at the official level. He was also sceptical about the notion that the Gatt could introduce some form of binding arbitration into its dispute settlement procedures.

The Gatt functions on the basis of "voluntary" commitments, he said. "It would be almost to deny the existence of this, if you said you wanted it with the conventional European view that there must be no special deals at an early stage which might prejudice negotiations on everything else."

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Seoul eases ban on services investment

SOUTH KOREA, caught in mounting trade disputes with the US, has partially lifted its ban on foreign investment in services, Agencies reports from Seoul.

Officials in such industries as film-making, advertising and trading agencies would now be allowed. The measure is mainly aimed at avoiding US pressure but we expect further American demands for market-opening, one official said.

Finance Ministry officials said the action would allow foreign businessmen to invest in joint-venture advertising companies as minority shareholders.

Foreign investment exceeding 50 per cent of equity holdings in joint-venture advertising companies would still be banned, officials added.

The trading sector would be opened to foreign investors and wholly-owned foreign companies in joint ventures in which foreign investors have a controlling share would be banned from import business.

There would be no restriction on joint-venture trading companies in which local partners have the controlling power, they said.

United International Pictures of the Netherlands, representing the US Paramount and MGM studios, and Twentieth Century Fox of the US are to spend about \$100,000 (£55,500) setting up distribution offices in Seoul, the officials went on.

The Motion Picture Association of America, which has long demanded that Seoul open its film market, was just one of a chorus of voices in the US calling on South Korea to allow in more American goods and services. The US has threatened sanctions if South Korea fails to reduce their trade imbalance by slashing duties on such US products as cigarettes, and importing more US beef and wine, and other farm products. The 1987 US trade deficit with South Korea reached \$10bn, up from \$7.5bn in 1984.

Tokyo peels the import onion

By IAN RODGER in TOKYO

THE PROCESS of opening the Japanese market to foreign competition has often been compared to that of peeling layers off an onion. The removal of a layer does not solve the problem, it merely reveals another layer.

The latest example of this phenomenon emerged recently in a little noticed decision by the Bank of Japan to soften its terms on a short-term import financing scheme to make it easier for foreign companies to qualify.

The move was made in response to representations from the European Commission that foreign-owned import companies should have access to funds on rates competitive with those available to Japanese importers. Since 1983, the central bank has been providing loans through commercial banks at its official discount rate against the security of import bills. It is, in effect, a means of encouraging imports by providing cheap short-term financing, normally four months, and was introduced as part of one of the country's many programmes to open its markets to imports.

Global talks to reform world agriculture are unlikely to make major farm policy changes because of sharp differences between the European Community, Japan and the US, according to a US trade expert. The current round of Gatt negotiations is not likely to produce any major progress toward liberalisation of agricultural trade, said Mr Robert Paarlberg, of the Wellesley College in Massachusetts. The Reagan Administration's goal of reaching a global farm trade accord to reduce subsidies by the end of 1985 - known as the "early harvest" agreement - was unrealistic, he added.

Mr Noir said he could see no objection to the idea of the Gatt instituting a system of country reviews designed to weed out inappropriate trade policy measures, but he was lukewarm about two proposals from Mr Clayton Yeutter, the US Trade Representative.

He said Mr Yeutter's idea of closer ministerial involvement in the Gatt to give it more political clout was all well and good, but ministers should not get in the way of actual negotiations at the official level. He was also sceptical about the notion that the Gatt could introduce some form of binding arbitration into its dispute settlement procedures.

The Gatt functions on the basis of "voluntary" commitments, he said. "It would be almost to deny the existence of this, if you said you wanted it with the conventional European view that there must be no special deals at an early stage which might prejudice negotiations on everything else."

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Record exports for Swiss watch industry

By John Wicks in Zurich

SWITZERLAND'S watch industry achieved record exports of Sfr4.34bn (£1.8bn) last year, despite the strength of the Swiss franc. Exports amounted to Sfr4.27bn.

Under the terms, exports fell slightly from 60.7m to 59.7m watches, an increase in electronic models falling to offset a decline in mechanical watches.

Sales of medium-priced watches and movements fell noticeably, according to the Federation of the Swiss Watch Industry, while cheap watches showed a volume increase of 3 per cent.

The US remained the biggest single market for Swiss watches but the value of exports fell during 1982 to Sfr827.8m. If currency rates had remained unchanged, the industry would have shown an increase of 17 per cent.

Other main customers were Hong Kong, Italy, and West Germany.

Argentine plastics sector attracts foreign interest

By OUR BUENOS AIRES CORRESPONDENT

A SUDDEN spate of overseas investor interest in Argentina's plastics sector is gathering pace after decades of official indifference and inaction. Two bids in less than a week to build a polypropylene plant in Argentina have prompted hopes here that the Government is having some success in its efforts to break with a past where nationalist sentiment repeatedly blocked foreign investment initiatives.

The latest focus of interest is Argentina's market for polypropylene, a lightweight polymer plastic. Domestic demand is 300,000 tonnes annually and all of it has to be imported. Even as the Italian conglomerate Montedison announced this week that it had signed a letter of intent for a polypropylene plant, Royal Dutch-Shell's subsidiary in Argentina claimed it had President Raúl Alfonsín's support for a similar project. In both cases, capacity has been set at 100,000 tonnes a year, leaving a substantial excess for export. While Montedison has not yet put a value on its bid, the chief executive officer of Shell Argentina, Mr Jacques Schraven, estimated after meeting Mr Alfonsín early this week that the cost of his project would be about \$120m. Both groups have taken local partners from the top line of the Argentine private sector. Montedison chose Perez Companien, an oil-based company which is now trying to diversify its interests. The partner is the Ipaiko group, active in Argentine plastics production for the past 30 years.

Mr Schraven said Shell's plan marked a new venture for the group in Argentina, where its activities are currently focused on oil exploration, refining and marketing. Observers here note that Montedison submitted its bid a month after Argentina and Italy signed a wide-ranging economic co-operation agreement. In both cases, capacity has



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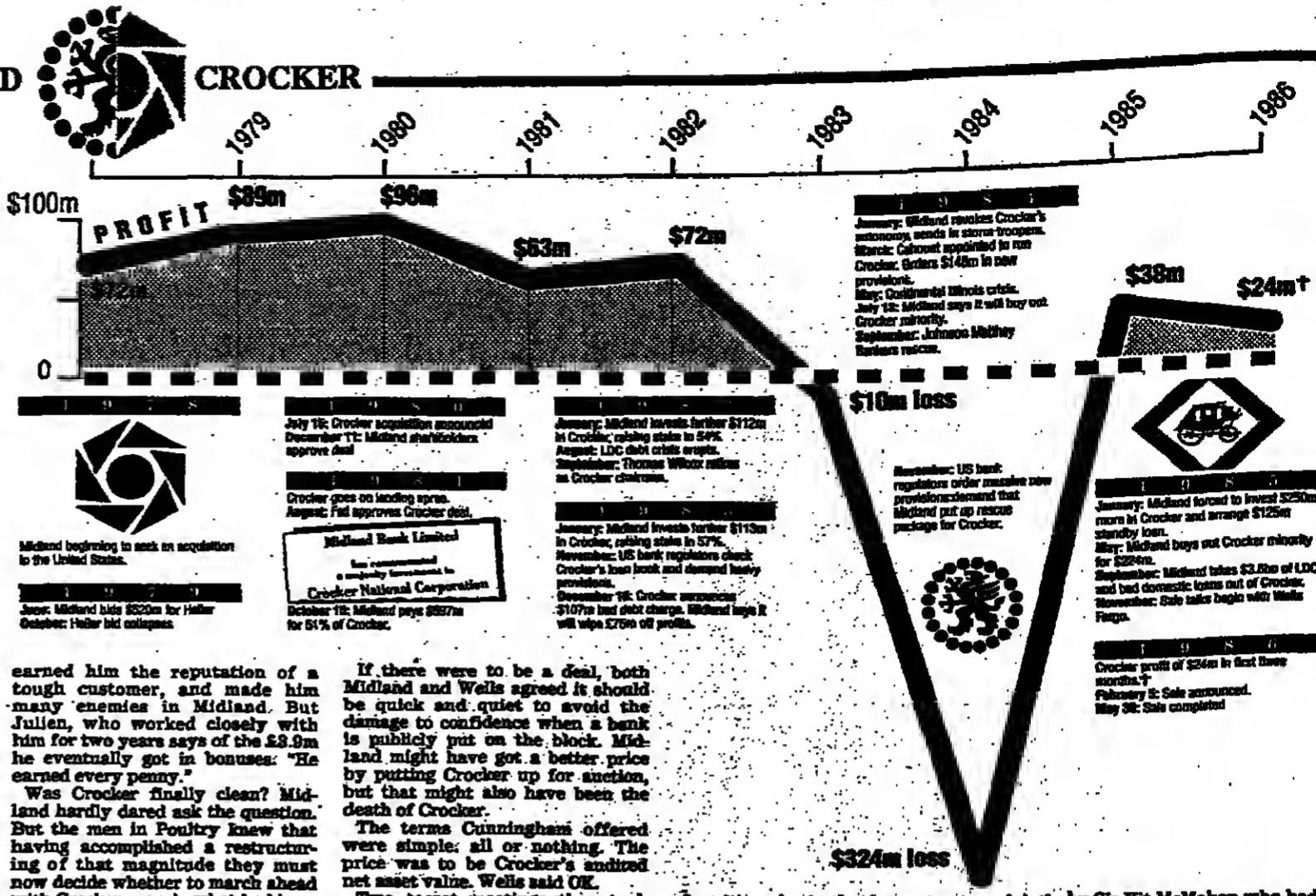
MANAGEMENT

David Lascelles concludes the story of a banking disaster

The £1bn cost of an ill-starred excursion

Midland and Crocker took elaborate precautions to prevent a panic when they announced the \$324m loss which Crocker suffered in 1984...

would do great things. Remove those prospects, he said, and morale would collapse. Cabot even objected to a proposal by Midland to relieve Crocker of its Latin American loans...



MIDLAND CROCKER THE FINAL CHAPTER



Carl Reichardt: Chairman of Wells Fargo... Sir Kit McMahon: new chairman and chief executive of Midland Bank... Peter Cooke: assistant director of the Bank of England...

Some of them, particularly Julian, felt that Midland should keep it now that it was finally back in profit. But most of them knew that the nightmare would only end once Crocker was gone for ever...

It there were to be a deal, both Midland and Wells agreed it should be quick and quiet to avoid the damage to confidence when a bank is publicly put on the block...

Two secret meetings then took place between top Midland and Wells executives in London in December and January at the Sheraton Hotel in Belgravia...

Jointly by Sir Kit McMahon who had observed Midland's travails from his vantage point as Deputy Governor of the Bank of England. He paid tribute to their "courage and steadfastness"...

Reuters and Price Waterhouse announce the Treasurer's Workshop Courses

Reuters and Price Waterhouse have combined their skills in treasury strategy and information requirements, international accounting and taxation to create a unique concept - The Treasurer's Workshop.

Form for requesting more information on the Treasurer's Workshop courses, including fields for Name, Company, Address, and Tel No.

COMMERCIAL PAPER

The Financial Times proposes to publish a survey on Commercial Paper on 17 FEBRUARY 1988. Subjects covered will be: US Commercial Paper, Asset-Backed Commercial Paper, The Eurcommercial Paper Market, etc.

NOTICE OF REDEMPTION United Mexican States 10% External Bonds due February 15, 1990. Includes a table of bond serial numbers and amounts.

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TECHNOLOGY

Right formula - wrong answer

Clive Cookson explains why oil companies still see a future for petrol additives

THE OIL companies will go on increasing the research effort devoted to developing additives for petrol, despite the much publicised demise of Formula Shell, according to technical experts in the oil and motor industries. Shell announced this week that it was no longer putting its Formula Shell "additive pack" into leaded petrol, because it could damage car engines in certain rare circumstances. But Peter Barlow, a technical manager with Shell UK, emphasises: "We see additive technology as being very important for our future and we remain committed to Formula Shell for unleaded petrol, the 'fuel of the future'."

engine recycles partially burned gases, which contain unstable hydrocarbons; these are liable to lay down carbonaceous deposits inside the carburettor and inlet valves. So engines rely increasingly on detergent-like additives in the petrol to remove dirt as it builds up. Formula Shell - the outcome of a £40m research, development and promotional campaign - was launched in May 1986 with two new additives. One was an improved detergent to keep the engine clean. The other more novel ingredient was a potassium compound called a spark aider, which gave the engine a more constant ignition and therefore made the car drive more smoothly, particularly in the cold. The spark aider worked by altering the surface of the spark plug electrodes and reducing the resistance to the passage of the spark. It was an excellent concept but sadly for Shell the formula was not quite right. The damage caused by Formula Shell showed up first in Scotland when Vauxhall cars run by Fiat began to suffer from stalling engine valves. Vauxhall Motors alerted its dealers and fleet owners and discovered that about 400 Cavaliers and Astras had been affected. Vauxhall spokesman Ken Moyes says their valves "became coated with a kind of varnish." This led to burning around the valve seats. Shell and Vauxhall agreed to share the costs of repairing the damaged engines. Peter Barlow of Shell says Formula Shell has caused no more problems in Britain

since last year when its composition was changed slightly. But it has damaged valves in Volvo and Volkswagen engines in Scandinavia. On the first report of trouble, Shell set its scientists to work investigating what was to them a mystery. Barlow says they managed to reproduce the damage in a test car by "having lots of cars doing a police driving cycle up and down motorways." The scientists do not yet understand the exact cause of the problem, although they know that it results from "antagonism" between the spark aider and the anti-knock chemicals in leaded petrol. Shell has withdrawn leaded Formula Shell partly because it could again cause valve problems in "certain rare circumstances." But the decision was made mainly to protect the company's image in the face of an impending public relations disaster. John Wood, chief engineer of the Royal Automobile Club, sympathises with the Shell scientists "who set out to pioneer an approach I'm sure we'll see more of." RAC experts acted as independent observers of Formula Shell's road trials, which involved driving 400 different cars over 4m miles. These showed a "statistically significant" improvement in the cars' overall performance, he says. Shell is naturally reticent about its next step. "We've had to react pretty quickly to the research results about valve problems and it's obviously taking us a bit of time to get organised," Peter Barlow says. However, industry experts say Shell will have to add some form of cleaning



agent to its leaded petrol if it is to keep pace with its competitors, and it seems likely that the company will persevere with the cleaning agent used in Formula Shell. Meanwhile, Esso is continuing to promote the virtues of "New Esso" petrol, launched in the UK last May, on the basis that it incorporates new additives which stop dirt building up in the engine. Robert Watson, Esso's spokesman, says the leading oil companies are bound to devote more resources to improving the quality of their product, since "the demands of the consumer are increasing the whole time." And improving petrol means developing better additives. John Wood of the RAC agrees. But he says faster progress would be made if the oil and motor industries worked more closely together. "In the future we need a wider 'systems' approach where the engine and fuel are designed together, instead of matching them up afterwards."

Hidden chemical mix within the modern litre

MODERN petrol contains a number of chemicals which are added to the basic hydrocarbon fuel at concentrations ranging from a few parts per million to several parts per thousand. Detergents to remove dirt from the carburettor and inlet system. These are the ingredients most frequently promoted as "additives" in advertising campaigns. Anti-knocking compounds to promote even burning of the petrol/air mixture and prevent "pinging" or "knocking" which can damage the engine. Tetra-methyl lead and tetra-ethyl lead are used in leaded petrol.

Other octane improvers include "oxy-genates" such as methyl tertiary butyl ether (MTBE). Scavengers such as dibromo ethane to remove the combustion products of the anti-knock compounds from the cylinders. Anticicing agents to prevent the carburettor icing up. Anti-oxidants to stop the fuel deteriorating during storage. Corrosion inhibitors to stop the fuel system rusting. Dyes to identify different grades of petrol. Not only do different brands of pet-

rol contain slightly different mixtures of hydrocarbons and additives but any one brand will vary from time to time. All the companies blend components from their own and their competitors' oil refineries, and the mixture changes according to the supply of crude oil and the maintenance schedule of the refineries - a point that is not brought out in petrol advertising. As the hydrocarbon blend changes other components of the petrol may have to be changed too. For example more oxygenate may be needed to maintain the octane rating.

WORTH WATCHING Edited by Geoffrey Charlish

Chip makers face miniature blockade

RESEARCH WORKERS at Cologne University have some bad news for "chip" developers. They have shown that as a piece of metal is reduced in size, its electrical conductivity reduces until the point is reached at which its conduction stops. Normally the effect is of little consequence, even in the latest chips, because the pieces of metal involved are not small enough. But the Cologne team has shown that if a dot of metal has a diameter of less than 0.0001mm, it becomes an insulator. The effect has been named SMIT, standing for "size-induced metal-insulator transition" and is soon likely to make itself felt as the semiconductor industry seeks to reduce still further the density of the components on chip surfaces. Measuring the resistance of a dot visible only under a microscope is tricky. Any attempt to make connections to it will completely mask the results. The Cologne team succeeded by suspending millions of the dots in oil and measuring the extent to which this "micro-emulsion" was able to absorb microwave radiation. The results enabled it to make accurate deductions about the dots' resistance. Gunter Nimtz, joint developer of the method with Peter Marquardt, says that for the chip companies the limit to microminaturisation is probably between 0.5 and 0.1 of a micron (millionth of a metre).

Multi-lingual spin of the silver disc

Warrington in the UK is to use a microprocessor-based data acquisition and storage unit which is mounted inside the leg. A detector on the leg senses arrival at each process station and tells the microprocessor. Similarly, sensors and a semiconductor memory measure and store the temperature, pressure and time intervals between readings. After the run, the unit is connected to a computer using Anghton software and the information displayed.

40 messages to fit the pocket

AIR CALL Communications of London is offering a pocket-sized paging unit able to receive, hold and display messages of up to 1,200 characters. As many as 40 separate transmissions can be held and the unit's memory works on a first-in, first-out basis to make room for new messages. Messages can be located by scanning their headlines and any can be deleted at will. The display shows two lines of 16 characters each, and can be scrolled to reveal the remainder of a message. The unit will work in most parts of the UK on Air Call's paging transmitter network.

Sweden sense out precious metals

IF THERE is still some gold "in them thar hills" the device from Swedish company Terraprobe International of Uppsala, might well be able to find it. Terraprobe is a hand-operated device with a sensor probe on a long rod which is pushed into the ground by the prospector. The company claims that any gold particles encountered by the probe will generate an audible signal and light a lamp on the control panel. The sensor in the tip, says Terraprobe, measures the electrical potential and conductivity of every metallic grain that it comes across. Particles down to a size of 0.005mm "cannot fail to be detected". In addition to gold, the Terraprobe can indicate the presence of platinum, magnesium, pyrites and certain copper-bearing minerals.

Sony sharpens business displays

COMPREHENSIVE PRESENTATIONS can be made to business and technology audiences using a new £8,000 display projector from Sony of Japan. The machine can accept signals from a variety of computers and give accurate and bright colour images on screen sizes from 72 inches to 250 inches. It can switch between computer graphics and ordinary TV images from any video source, or can overlay the computer graphics on the TV without adjustment by the operator. Bright, sharp images result from a new lens design with combined glass and plastic construction.

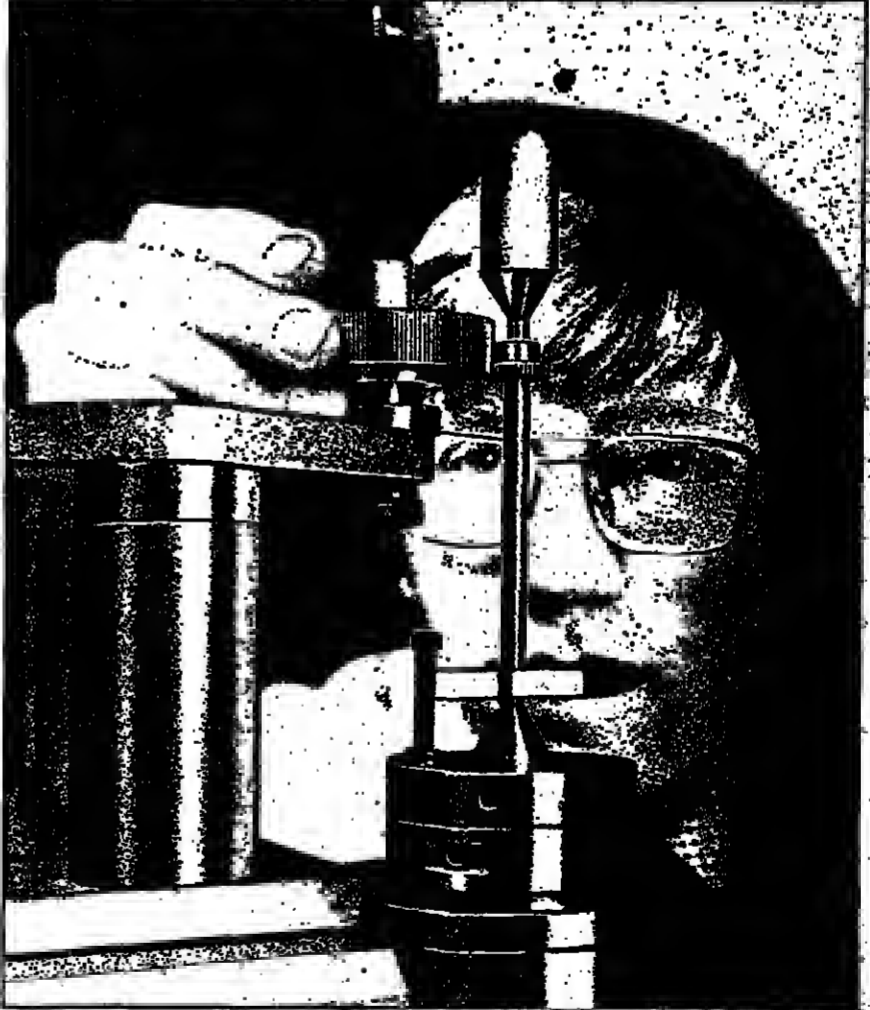
Brewing operations kept on the move

BREWERIES, which need to assess the efficiency of their beer leg sterilisation processes, often use a test leg containing conventional pressure/temperature gauges. Production stops while the readings are taken at points on a test run, and the method is labour-intensive and difficult. One answer, from Anghton Process Automation of

SILVER Patter of London is offering access to its CD-ROM databases in English, French, German, Italian or Spanish. Users can choose the language that suits them and then their instructions, the system's replies, all "help" information and the contents list of the database will employ that language. Silver Patter offers databases on CD-ROM (compact disc read-only memory) covering agriculture, computer products, medicine and other fields. Multi-language access has been achieved by storing all the information on the optical disc in a single compressed form and using specially constructed electronic dictionaries to translate the data for display. These techniques have allowed no less than 18 characters of information to be stored on a single 5-inch CD-ROM.

CONTACTS: Cologne University; the German Research Service on Beer 30210, Eschstr. 2, D-50667 Cologne, Germany. Terraprobe International, Uppsala, Sweden, 7790.

But who tests the tester?



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Form with fields for Name, Position, Company, Address, Postcode, Telephone. Includes NPL logo and DTI logo.

Advertisement for Visa, featuring the Olympic Games logo and text: 'CARRIED THROUGHOUT THE WORLD. The Olympic torch will be carried to Calgary to light the flame and open the 1988 Winter Olympics. Visa is carried throughout the world and as an exclusive sponsor of the 1988 Olympics is the only card accepted on-site at the Games. When you travel abroad for business in Europe or elsewhere, you can be confident that your Visa Card, Travellers Cheques and Travel Vouchers will be warmly accepted. Lost or stolen cheques can be replaced at over 60,000 places - usually within 24 hours. 5.7 million locations world-wide will welcome your Visa card for travel, entertaining and shopping. Use Visa - travel confidently. All you need.' Includes Visa logo.

dti the department for Enterprise

Not even Shakespeare could do as much for your business letters as the latest Epson printer.

You would think that the greatest writer in history could have improved the quality of your business letters to an unrivalled degree. But if it were possible to employ Shakespeare today, would it really be advisable?

Suppose he had to compose an apology to a less-than-merry wife from near Windsor who had been making much ado about being sent the wrong product. His reply would probably read something like this:

Shakespeare Ltd.
Stratford-upon-Avon Cosmetics

26 Onotobe Mews,
Bard Yard,
Stratford-upon-Avon.

O Mavis! 'Twas upon th'eleventh last,
When th'harbingers of Phoebus' chariot
I th'orient did behold, thy portend,
That I receiv'd th' thy dolorous dispatch.
With onion eyes, stark, I did straightway
Apprise me of th' occasion of thy plaint,
Whose violence, I vow'd, I'ld' erwhelm'd me quite.
Though 'Bee of Charubim' thou didst desire
To paint thy lips with thine, by some mishap
Thou 'Strumpet's' 'Scarlet' shou' wert sent, I fear;
Which for thy beauteous visage was not meet
And did thy cheris'd Maidenhead offend.
Methinks I may perchance this fault redress
By giving that which thou prefer'd'st for sought.
Yet this 'twould I'ld' give to thee more clear;
If thou think'st th' error mine, th'art sore mistaken;
The want-wit thou shouldst blame is Francis Bacon.

William Shakespeare

The language is not nearly plain enough for business correspondence, and the letter is far too long-winded, even without the three pages of footnotes which usually accompany every line written by the Bard. (The use of abbreviations such as 'receiv'd' and 'prefer'd' seems to be a rather poor attempt to shorten it.)

Furthermore, Shakespeare is known to have spelt his own surname in eleven different ways, which would hardly inspire confidence in a business client today.

Yet to be fair to the great man, there are many other literary giants who would have been even less successful at this particular craft.

The Restoration dramatists' habit of writing the letter 'f' instead of 'v' would be somewhat embarrassing (perhaps disastrously so for makers of vacuum cleaners).

But when it comes to strange spelling, Geoffrey Chaucer certainly takes some beating. One can just imagine how he would write a character reference:

Chaucer's
Yarn Merchants

*Seven, Pilgrimes Strete,
Estat of Industrie,
Canterbury,
Engelond.*

Of our greet man I wolde you speke a word;
By his, al oother men nat worth a word.
This leered wight ycleped was Herbert Jones,
Y-wis, I woot, and houthly for the nose.
Wel wolde he wryte and rekene with a Bk,
And nevere wolde he untrewe rynges sik.
Nether so taly a man as he ther nas;
Wan that the tyme for ooper season was,
Ful looth were hym to drynken ale, pardee,
Or throuwen arwe in the hostelrye.
He yaf nat for swich ydelnesse a tosse,
But al the day wolde verbenes for his bousse.
So this yonge Herbert hadde noght heigh renowne
His tonge, seyde alle, was overmiche broun.
But, natheles, his kyndnesse was moost pleyn;
For he yaf us a fyvere so to seyn.

Geoffrey Chaucer

To think that our children should be exposed to such lamentable orthography in their schools! It is a national disgrace. However, the spelling of the greatest-ever Scots poet Robert Burns was no better, and the regional nature of his vocabulary would probably be discernible in even the simplest communication, such as a gentle reminder to a client to settle his account:

R. BURNS.
Auld Lang Sigawriter

Wec, sleekit housie,
Two, Haggis Hill,
Banks and Brees
o' bonny Doon,
Scotia.

Ye De'ill ye see me teartie poun!
I canna bide me sair;
Sae if ye dinna gie it soon,
I'll come an' flae ye bare.

I ettle enif ye wi' my nieve
In wude unsonie an' dark,
Your clatty glass I'll abillins rive
An' lunt your daddie sark.

Your breeks I'll wi' a crummock whang
Tae mak ye skritch an' cour.
Ye winna find, wuzura'ar ye gaag,
Sae bield frae a' my poor.

For unco canty wad I be
Tae dae ye meikle harm,
I'll brak your banes that I ma see
A stookie an' your arm.

I'll shelp your shanks tae mak ye loup
An' 'mag the thrissles gae,
Then I'll my walls whittie doup
An' need your burdies tae.

Your gab an' neb I'll ding an' dirl,
An' syne I'll stound your noddle,
But gif I smoor ye whan ye skirl,
I care na de'ill a' boddle.

Robert Burns

A business letter written by the nineteenth-century American poet Henry Wordsworth Longfellow would at least be comprehensible:

LONGFELLOW INC.
Tallybol makers

By the shore of Glabe Comer,
By the shining Big-Sun-Water,
Near the base of the Rocky Mountains
Of the Kingdom of the West-Ind,
C11 285.

Madjarris has beset us,
Made us all cry, "Wudjoo Bleavit!"
For we have run out of wood screws,
Gleasins, shining, 10 mill. wood screws,
Screws that hold the tallybol doors on,
Hold the tank-look clipboard doors on;
Screws that bear the reference number
K3355/7.

Very great the number wanted,
Very large the total needed,
Very many screws required,
Twenty thousand screws required.
Fratric anxious are we getting,
Cannot help but panic, panic.
Very urgent, urgent, urgent,
Urgent, urgent is our order,
Urgent and substantial order.
Very quickly must we have it,
Quickly have we very it must.
Please deliver by next Monday,
Dum-de-dum-de-dum-de-dum-de,
If you cannot, I will fetch it,
Fetch it in my Minnecoopa,
My beloved Minnecoopa,
Which I bought on Hispurchas.
Yours sincerely, most sincerely,
Yours most utterly sincerely,

Henry W. Longfellow

Unfortunately, Longfellow's use of rhythm and repetition becomes unbearably irritating after any length of time. Perhaps the more direct and frank style of D. H. Lawrence would be more effective. His initials suggest that he might have been cut out to be an international freight courier — so what sort of sympathetic, concerned reply would he have given to the complaints that inevitably occur from time to time?

D.H. Lawrence & Sons & Lovers
Mentor House,
Hassler Way,
Flat-out-on-Chatterley,
Tibet,
Wales.

Dear Sir,
— — — — —
Yours,
D.H. Lawrence

P.S. And you can — — — — — your — — — — — as well.

On reflection, perhaps he would not be so suitable after all. It is hard to imagine some of the other major writers of the twentieth century faring any better at drafting commercial correspondence. For example, how might James Joyce have written to accept a job?

Useless House,
Furrygoingson Wayke,
Troublin',
Direland.

JAMES JOYCE
Photographer

Portraits of young men a speciality

Dear Sirf,
Sanctuary much fjord queryapendence of Maythefourthbewithyou.
Isle beady-eye ted to lens my sore vices at disservice of mirage at St. Vitus's Chacha on Shnterday the dirtiest.
(Doughnut wary - only pheronomal higher fee.)

Are hopping in pratickler to cupchewer the breast possessible pairtreats of your sintilleighten breed-to-be anna whorde of ridersmades wither soft philtre.

Arsting metre tackler prince was cottusrude hi dear. Whale spot rarely io miniature tabby so spifital aoston villafy, the far too roughs of my lowul ruefuls (wooden be higamy), the manure of their compositions crud beestter lacquer short on genius saie quot. (Tossay brotwherewere word hee crastupiguarance.)

Drintension to git stitched is ruddepraved. I loocely marijanna moulder.

But hair wishing you happenies ad siofortnightom (fraternity),
Yoursa Patfoolish.

James Joyce

No wonder Joyce's last words were, 'Does nobody understand?' Letters written by dramatists of the Absurd would doubtless be equally sheepshank tarpaulin manifold hstand bambembombum. And while employing one of the leading modern spy novelists to write for you might appear to be a good idea in view of their popularity, their letters could prove difficult to decipher even after the ink had been made visible:

Tinker, Taylor & Soldier Limited
Estate Agents

Take the soaked brown envelope from under the 7th tree along to the south of Ocopatnekkedc. Hand the contents to the tramp with the greenic holding up the trousers outside Euston Station at 3am on Sunday. He will give you a telephone number. Ring this three times and ask for Hot Pasta.

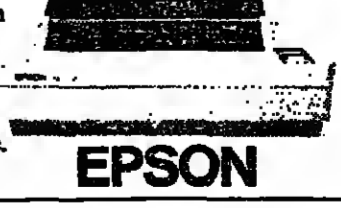
Re: Information requisition on Operation Semi 36a.

- The heat has brought out the spider plants on the steps and there are insects in every room.
- Small mounds of earth have been found near the flower border to the east, but the housekeeper will make these less conspicuous with an umbrella.
- The situation regarding your transfer is quite simple. When Beaumont reported that he had seen Grenouilles giving Buchner's report to Botomich with his right hand rather than his left, Hodgerson realised that the doorknob Crapaud had given Zanzor to inspect Brecht's small, cramped flat was actually for that of Durrensmatt, who had been trying to contact Uoderwood about Vladimovski's shabby, crumbling house (not Bodinove's, an Escargot had wrongly told Jacobs) ever since Pterepanski had warned Frisch that Hamilton was really called Sputnik and worked out for Wright. Goodfellow and Fairman but for Riponow, Stelio and Turiska, the network which had persuaded Baker to give Mann directions to Cochon's picturesque, rustic cottage rather than to that of Poisson, where Green, working under the cunioig alias of Greene, had first suspected that B011 did not in fact exist, but had been invented by Renard, that is to say Getelbireyn, to make Parker think that the price of Heine's stark, modern penthouse would be pushed beyond his reach and, therefore, stay put in Semi 36a so you can't move it for six months.

Please dispose of this letter by eating it.

X

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EPSON

UK NEWS

Current account deficit grows to 13-year high

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE CURRENT account of Britain's balance of payments remained heavily in the red last month, leaving the cumulative deficit in 1987 at its largest for 13 years.

The marked deterioration in the trade position, shown in official figures released yesterday, will intensify pressure on Mr Nigel Lawson, Chancellor of the Exchequer, to adopt a relatively cautious stance on tax cuts in his March budget.

It will also increase the possibility of an early rise in interest rates, an option which has recently been under close review in the Treasury.

According to the Department of Trade and Industry the current account deficit totalled an estimated £2.7bn in 1987, up from £940m the previous year and the highest since 1974.

A record gap of \$9.8bn last year on visible trade was only partly offset by a provisional surplus of £7.1bn on invisible transactions such as tourism, insurance and earnings from overseas assets. The surplus on oil trade rose fractionally from £4.1bn to £4.2bn.

For December alone the current account deficit of £580m was little changed from November, but yesterday's figures show a progressive deterioration throughout 1987. A small surplus of £570m in the first quarter of the year had been translated into a £1.5bn deficit by the final three months.

	Current balance	Visible balance	Invisible balance
1986	-0.9	-5.5	+7.5
1987	-2.7	-8.8	+7.1
1987 Q4	-1.0	-2.7	+1.7
1987 Q1	+0.6	-1.1	+1.7
Q2	-0.7	-2.4	+1.9
Q3	-1.1	-3.0	+1.8
Q4	-1.5	-3.3	+0.8
Nov	-0.6*	-1.2*	+0.6*
Dec	-0.8*	-1.2*	+0.6*

* Provisional Source: DTI

Booming demand in the economy resulted in a further sharp rise in imports. Excluding oil and erratic items, the volume of imports was nearly 10 per cent higher last year than in 1986, with the pace of growth accelerating in the final three months.

The rapid growth in consumer spending behind the import surge appears to have moderated since October's stock market crash. But the combination of buoyant earnings and low inflation is expected to lead to another sizeable increase in consumer spending this year.

That argues against a massive tax "giveaway" in the budget despite several billions of pounds that Mr Lawson has at his disposal.

Barring fresh evidence in

Nigerian trade debt verdict clears the way for settlement

BY MICHAEL HOLMAN AND PETER MONTAGNON

THE LAST hurdle to the rescheduling of \$3.2bn of uninsured Nigerian trade debt was overcome yesterday when a London court found that the conduct of a recent creditors' meeting was "impeccable" and lifted an injunction which prevented full disclosure of the result to the Nigerian Central Bank.

The judgment, by Mr Justice Hirst, threw out a challenge by a group of creditors who had objected to details of votes at the January 14 meeting being disclosed to the Nigerian authorities. At the meeting more than two-thirds of the creditors voted in favour of the rescheduling.

Awarding costs against the plaintiffs, he said their argument that those who voted against the proposal might see their future trade with Nigeria adversely affected, was "flimsy in the extreme."

"I am bound to say that I strongly deprecate the making of serious allegations of this kind without any proper evidential support," he added.

The case had been mounted by Confidential Recoveries, a Hong Kong-based group of creditors, for whom the action might have become a springboard for a broad challenge to the vote.

Speaking of the Law Debenture Trust Corporation, which organised the creditors' meeting, and Mr Bill Park, the city lawyer who chaired it, the judge said: "Their role was at all stages entirely independent, and performed with absolute propriety."

The judge also vindicated Chase Manhattan bank, which counted the vote but which had also been subject to an injunction, saying "there was not one breath of criticism against their conduct from beginning to end."

The judge continued: "Naturally the rescheduling of a foreign debt so that due payments are made to the end of the first decade of the next century is a matter of acute concern, and perhaps, just resentment."

"But it seems to me that the appointment of an independent chairman of the highest integrity, and in the trust of all the voting procedures to an international bank of high standing."

The judge said that the two-thirds majority showed "there must be a... substantial group of people who have no common interest... with the plaintiff."

Oftel challenges 60% rise in BT private circuit tariffs

BY DAVID THOMAS

A BRITISH Telecom announcement yesterday of increases of up to 60 per cent for some key business services has prompted the Office of Telecommunications (Oftel) to seek a limit on such rises in future.

The price rises apply to BT's inland, private circuits which businesses use to send data and voice traffic both within their offices and to customers and suppliers.

Customers rent the circuits, which are separate from public lines, instead of paying for each call.

BT has slapped the biggest rises on connection charges for these circuits, which have been in high demand from companies.

Connection charges for its main voice circuit are to increase by up to 60 per cent and for KiloStream, its high-speed data circuit, by 50 per cent.

However, there is no change for MegaStream, its high-volume data circuit.

BT coupled the announcement of these increases with a commitment to tackle the waiting list for new circuits.

The rental charges vary from a cut of 2 per cent on one service to an increase of 30 per cent on others, averaging out at a 6 per cent increase.

Oftel, the industry's regulatory body, said in 1986, when BT last revised its inland private circuit charges, that there were no longer any grounds for big price increases.

Professor Bryan Carberg, Oftel director general, acknowledged yesterday that BT's costs had risen since then and that BT still lost money on the connection charges.

However, he added that the new price increases, which come into effect in March, would produce higher profits than were needed to finance BT's investments and said: "BT's interests do not reflect a determination to improve efficiency."

BT responded by saying it had launched a modernisation programme, including a new £70m fibre optic network in the City of London which would improve efficiency as it came on stream.

Oftel is to consider the future of leased line prices as part of a wider review of BT's charges.

However, Prof Carberg has already decided that a limit is needed on future price increases for BT's leased lines and that he will refer the issue to the Monopolies and Mergers Commission if he cannot reach an agreement with BT.

Row erupts on secrecy plans

BY IVOR OWEN

MR DOUGLAS Hurd, the Home Secretary, was attacked in the House of Commons yesterday for revealing more in a BBC broadcast than he had previously been prepared to tell members of parliament about the Government's proposals for reforming the Official Secrets Act.

Mr Roy Hattersley, the Labour Party's Deputy Leader, and spokesman on home affairs, led the assault. He said that if Mr Hurd had been as forthcoming a fortnight ago when the Commons debated the Private Member's Bill seeking to reform the Act, the Government would not have succeeded.

The measure outlined by the Home Secretary on the BBC's Radio 4 last night, involving the division of Government information into different categories, he said, were very close to the proposals in the Bill. If they had been known at the time of the debate, support for the Bill would have been "irresistible."

Mr Hattersley contended that Mr Hurd had chosen to "demure" himself to "pander to the Finlay's Commission that the security services are her personal and private property."

Second term for Bank of England Governor

BY DAVID LASCELLES, BANKING EDITOR, IN LONDON

MR ROBIN LEIGH-Pemberton was reappointed yesterday as Governor of the Bank of England for a second five-year term.

The appointment, which begins on July 1, was officially made by the Queen but it comes on the recommendation of Mrs Margaret Thatcher, the British Prime Minister.

Mr Leigh-Pemberton, 61, was the choice of Mrs Thatcher when he was first nominated for the office in 1986. He managed to retain the Government's favour, despite a first term which was marked by occasional controversy, particularly in the Bank's handling of problems in the City of London.

Chief among these was the John Major Bankers' crisis of 1984, a small billion bank had to be rescued. This was a serious embarrassment to the Bank which strained its relations with the Government.

The incident led to the enactment of last year's Banking Act which strengthens the statutory foundation of banking supervision in the UK.

However, his supporters maintain that he has engineered a relatively painless transformation of the Bank's role from that of the steward of a cosy City club to a statutory body overseeing one of the world's largest and most successful financial centres.

His critics in the City who maintain that he has lacked the authority and intellectual force of some of his predecessors. For them his re-appointment underscores the greater subservience which the Bank now shows to the Government, particularly in monetary affairs.

However, his supporters maintain that he has engineered a relatively painless transformation of the Bank's role from that of the steward of a cosy City club to a statutory body overseeing one of the world's largest and most successful financial centres.

TV industry changes force Granada cuts

By Fiona McEwen

GRANADA television, the ITV contractor of the north-west of England, is to slim down its staffing levels by 19 per cent with the loss of 270 employees by the summer.

The move, which comes as a job to a television industry unused to large-scale redundancies, is a response to what the company calls "the enormous changes" happening in the broadcasting industry.

The industry faces a period of radical restructuring with the possible emergence of new commercial channels, changes in the way ITV franchises are awarded in 1992 and the growth of night-time broadcasting. Competition for advertising revenues is increasingly fierce.

Some observers view the cuts as the first signs of response to the Government's plan for independent producers to have access to 25 per cent of airtime. In addition, the traditional network arrangements which have guaranteed airtime for the producers of the "big five" commercial stations are to be phased out.

New Tory MPs cite merchant banking links

By Peter Hiddle, Political Editor

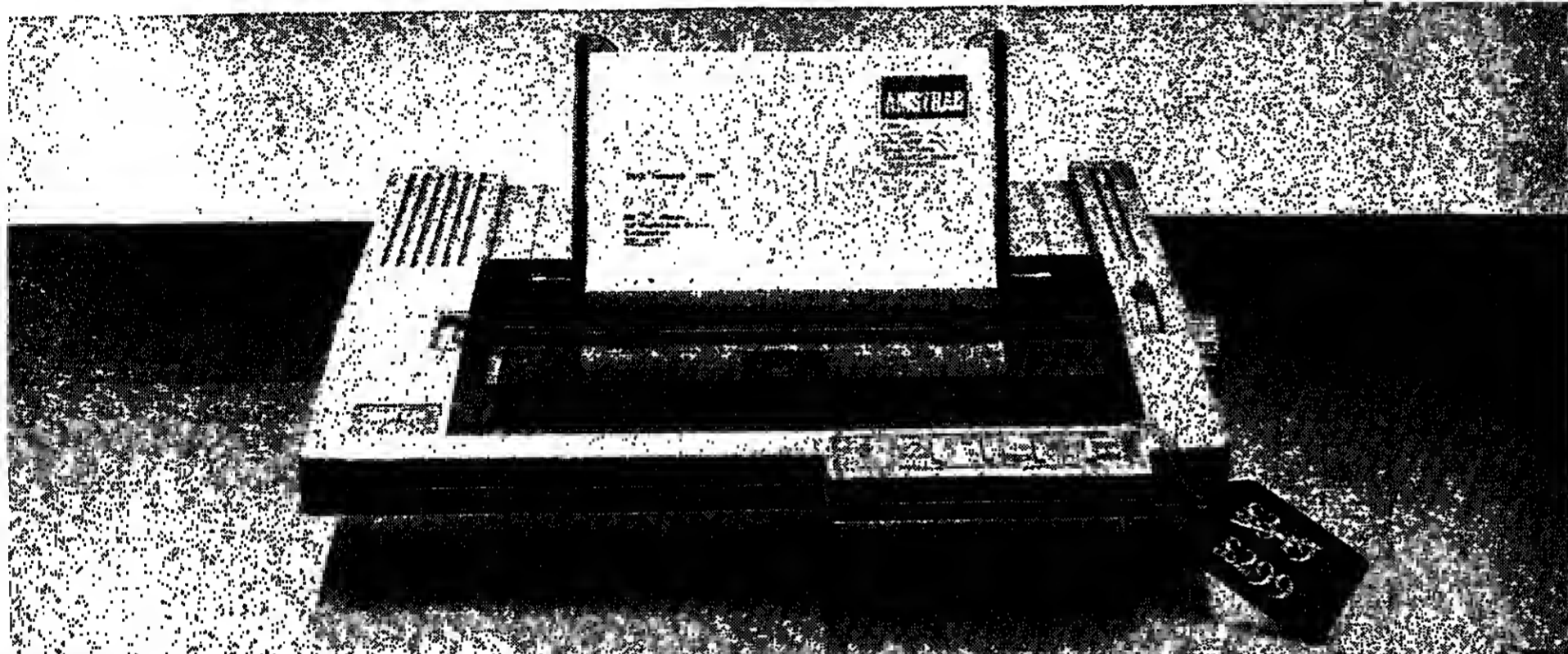
FOUR OF THE 60 new Conservative MPs elected for the first time last June have close connections with merchant banks.

The register of MPs' interests, published yesterday, shows that the 60 have a total of 44 directorships, although this is inflated by the steward of a cosy City club to a statutory body overseeing one of the world's largest and most successful financial centres.

The four with merchant bank connections are Mr Quentin Davies (Stanford and Spalding) with Morgan Grenfell; Mr Andrew Baragrevan (Birmingham Ball Green) with J. Henry Schroder Wages; Mr Andrew Mitchell (Gedling) with Lazard Brothers; and Mr John Redwood (Wokingham) with N.M. Rothschild.

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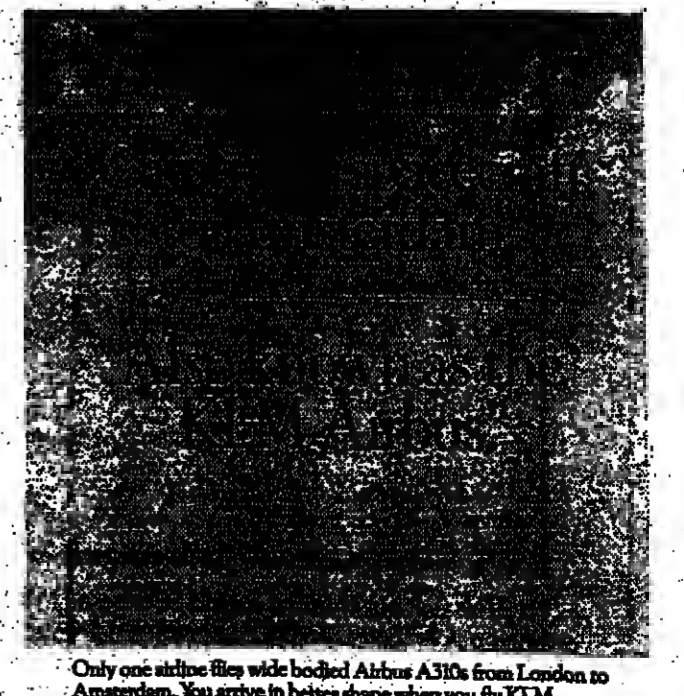
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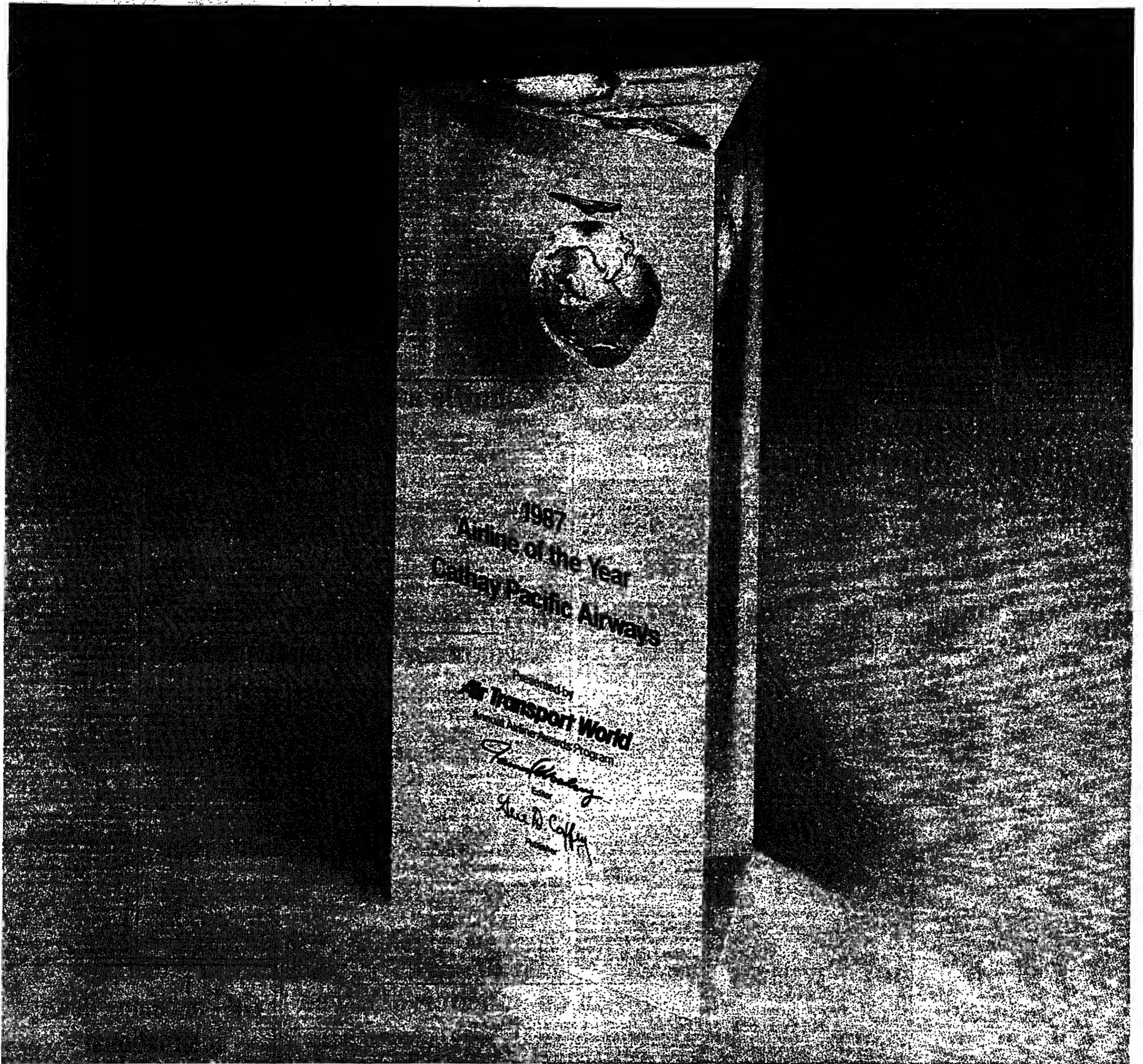
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UK NEWS

Forestry revenue forecast queried by Audit Office

THE FORESTRY Commission claims to have exceeded the target rates of return on its operations set by the Government for the first time in many years.

However, the National Audit Office has questioned the commission's contention that its future revenues will improve to the point where it will need considerably lower government subsidies.

Warner given go-ahead for Chappell takeover

THE MONOPOLIES and Mergers Commission yesterday cleared the acquisition of Chappell, the music publishing company, by Warner Communications, the US entertainment and communication group.

Mr Tony Blair, Labour consumer affairs spokesman, said: "The decision is bad news for the music industry which will restrict opportunities for artists and the public."

Ministers promise worldwide AIDS fight

HEALTH MINISTERS from 120 countries yesterday pledged international co-operation to reduce the spread of AIDS.

The ministers, attending a world summit on the disease in London, agreed to share ideas on how to encourage people to change their sexual behaviour and endorsed a declaration stressing the need to avoid discrimination against people infected with the AIDS virus.

Dr Jonathan Mann, director of the World Health Organisation's AIDS programme, said in any large group of nations some disagreement was inevitable about ways of tackling the problem.

Dr Mann said in general he was greatly encouraged by the results of the conference which he said had strengthened world commitment to translate theory into practice in fighting the disease.

According to Dr Mann, the conference has illustrated a remarkable openness among different countries, some of which have to the past refrained from discussing the disease or even acknowledging its existence in their territories.

Alan Pike reports on the failed appeal by the Birmingham Six Ruling will not silence echo of bombings

THE EXPLOSIONS which killed 21 people in two Birmingham public houses on the evening of November 21 1974 caused the biggest mass murder by terrorists in British history.



The convicted six, from left: Patrick Hill, Hugh Callaghan, John Walker, Richard McIlhenny, Robert Hunter and William Power

The bishop's belief that the Birmingham Six did not plant the bombs in the Mulberry Bush and Tavern in the Town public houses in Birmingham city centre "whatever the court says" has widespread support among Irish people and others who have spent years campaigning for a re-opening of the case.

There is little doubt that the burden of both Mr Mullin's predictions - that campaigns to free the Birmingham Six will continue, and that yesterday's Court of Appeal decision will add strain to relations between London and Dublin - will prove to be true.

The Birmingham Six - Mr William Power, 42, Mr Patrick Hill, 42, Mr John Walker, 52, Mr Robert Hunter, 41, Mr Richard McIlhenny, 52, and Mr Hugh Callaghan, 55, were arrested soon after the bombings - five of them as they boarded a ferry to Ireland. The five, who all lived in the Birmingham area at

the time of the explosions, were on their way to Belfast for the funeral of Mr James McNamee, an IRA man who had blown himself up planting a bomb outside Coventry telephone exchange.

An immediate political consequence of the Birmingham bombings was that the then Labour Government rushed the Prevention of Terrorism Act through Parliament. The act has remained on the statute book, subject to annual renewal, ever since.

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Lord Denning, then Master of the Rolls, dismissed this, saying that if the case were won it would mean the police were guilty of perjury, violence and threats, and that confessions were improperly admitted in evidence and the convictions were erroneous.

The campaign continued and the case was eventually referred to the Court of Appeal in a hearing which began last November. At the start of the hearing, it was thought that the prospects of the UK getting an extradition treaty with the Irish Republic might hang on the outcome.

The hearing before Lord Lane and his fellow judges heard claims which have become familiar during the long campaign to prove the innocence of the Birmingham Six - that they had been beaten up and threatened by West Midlands police

officers in order to obtain confessions, and that scientific evidence at their trial had subsequently been discredited.

But in a day-long judgment yesterday, Lord Lane remarked that the longer the hearing had gone on the more convinced the court had become that the verdicts 13 years ago were correct.

The court rejected allegations of police ill-treatment, and suggestions that a pack of playing cards from the trial had been produced by nitro-cellulose from a pack of playing cards from the men had used. But Lord Lane rejected this yesterday.

Exchange technology plans cut

THE STOCK EXCHANGE plans to spend about \$45m on computer systems and other technological developments in 1988, roughly the same as last year.

Mr Bernard Reed, director of international markets, said the exchange had started with a "wish list" of 106 projects to be begun or continued during the year.

Reshuffle at Allied Lyons

ALLIED LYONS, the food and drink group, said yesterday that Sir Derrick Holden-Brown, its chairman and chief executive, is to relinquish the role of chief executive in December.

The appointment was seen in the City as removing some uncertainty over a perceived succession crisis at Allied where Sir Derrick, 65 next month, has combined the roles of chairman and chief executive since he succeeded the late Sir Keith Strachan in 1982.

As retirement in July 1989 of Sir Alex Alexander, vice-chairman of Allied Lyons and chairman and chief executive of J Lyons. He becomes group deputy chairman until his retirement.

Mr Derrick said yesterday that the timing of the appointment gave Mr Martin time to grow into the job of chief executive while the splitting of the two roles would allow the chairman to concentrate on long-term strategy.

Flood of pension plans likely

THE OCCUPATIONAL Pensions Board is expecting a flood of thousands of applications from life insurance companies for approval of contracted-out money-purchase schemes (Comps) in the new pension environment.

Accounting rules under review

A REVIEW of the way companies account for acquisitions and disposals is being undertaken by the Accounting Standards Committee said yesterday.

The current UK accounting standard allows either, an effect on the level of take-over activity. This prompted the Department of Trade and Industry to include the subject in its recent review of competition policy.

although US practice requires write-off against future profits. This has led to suggestions that UK companies have an advantage over their US counterparts when making acquisitions, since they can pay higher prices without fear of damaging their reported profits (and earnings per share) in future years.

Redundancies at video cassette plant

ABOUT 250 redundancies are expected to be announced today at the UK video cassette recorder plant run by Thomson of France and JVC, the Japanese consumer electronics group.

The decision to halt volume manufacturing at the Newhaven facility near Brighton, where the price distribution system.

As a result of Thorn's action, the shares in the consortium were shared out equally between Thomson and JVC, which appear to be concentrating their European production

in France and West Berlin. Officials at the UK end of the consortium, originally called J2T, were not available for comment yesterday. But the company is due to make a statement in Newhaven today on the future of the British operations. These employ about 300.

Decision on solicitors delayed

THE PROSPECT of solicitors being allowed to form partnerships with members of other professions appears to be receding into the far future.

The ruling council of the Law Society, the solicitors' governing body, had been expected to decide this month whether to change its rules to allow multi-disciplinary partnerships.

considering could remove some of the pressure for mixed partnerships. They included recommendations, approved by the council yesterday, to allow solicitors' firms to incorporate and to relax the present, almost total ban on solicitors entering into arrangements with, for example, banks and building societies, for the introduction of business.

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THE PROPERTY MARKET

BRADFORD HAS no spare land but a lot of spare space. What land is available tends to be in small lots and the space which does exist is in configurations and pieces that are not immediately attractive for modern commercial use.

The land problem means that the city cannot readily accommodate outside demands for, say, a 10-acre site on which there could be a green-field development. To meet such a demand, said David West of the Bradford Economic Development Unit, "you have to bulldoze the mills away or break the Green Belt policy. Politicians and public are not keen on that."

This land constraint is one reason why the economic regeneration of the city and the subsequent increase in property values must come from indigenous growth. That, in turn, puts significance on the efforts to turn the city's Victorian properties into new uses.

On the commercial side this means the proliferation of textile mills and warehouses. It means some of the civic buildings associated with the textile industry in its heyday.

Demolition has been ruled out. They are part of the heritage. So there are certain problems which have to be addressed. "For industry today," commented Alan Alsworth, a chartered surveyor who has worked in Bradford all his life, "a four-storey textile mill with an external crane and a crumbling facade is not worth putting much money into."

When mills are a boon

Paul Cheesright looks at Bradford's plans

And Mr West noted that the mills are often on top of each other, making the servicing difficult, the floor loading is low, and the space between the columns is often small so that access for modern machinery is difficult. "Modern production processes prefer to be on one floor so that where a mill is in use perhaps only one storey in six is used," he said.

The plus side of all this is that space is available for emerging business. Bradford Metropolitan Council bought Mantra House, the old Hattersley mill which went out of business in 1980, and converted it into 70 managed workshops. Independent entrepreneurs have done the same thing with other mills.

But there is a limit to the amount of small business units that can be absorbed by the market. It is agreed that business confidence has been seeping back into the city with the revival of national economic growth. Certainly the unemployment figures have been heading downwards: 35.5 per cent at the end of 1985 to 11.9 per cent at the end of 1987. Yet this is not a boom.

So changing from one industry to a variety of small industries is not the whole answer to the Victorian property problem. The response has to be more diverse. Some mills have been used for sheltered housing and non-food retail warehousing. But the approach adopted both by private sector developers and the local authority is dependent on growing personal disposable income.

Two examples from the central city. First, the Wool Exchange, which only 20 years ago would have been full of traders dealing in its vaulted hall. Classified as one of the best Victorian adaptations of the late nineteenth century Gothic style, this is to be restored at a cost of about £3m by Haden Refurbishments and North Yorkshire Securities.

Second, Little Germany, a conservation area of 20 acres with 88 buildings which has been drawing in Urban Development Grant and English Heritage funds. This is where the wool merchants had their warehouses.

Progressively the area is being cleaned up, the solid Victorian facades are being cleaned to reveal the warmth of the Yorkshire sandstone.

The buildings are being converted by different property companies and owner-occupiers into flats, offices, shops, restaurants and light industrial works. Rents for refurbished offices run up to £4 a square foot, said Mr Alsworth. In Leeds equivalent properties would rent for about £5.

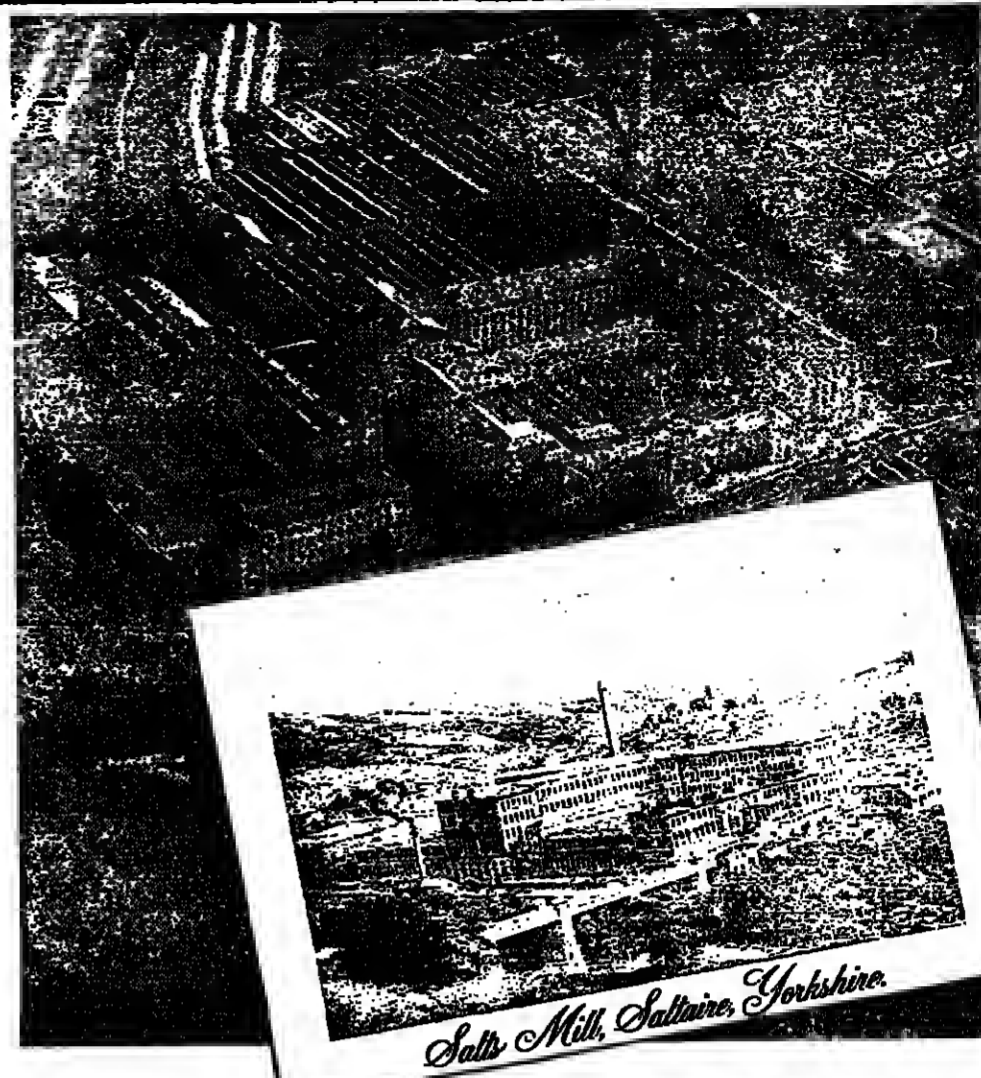
A cultural revolution at Saltaire

JONATEAN SILVER made a fortune out of clothing shops by his 25th birthday. It might take longer to do the same at Salts Mill, Saltaire, near Bradford. The mill was purpose-built in 1863, in the neo-Italianate style, and surrounded by a model village. Mr Silver bought the 1m sq ft mill, probably for around £1m, from Illingworth Morris.

The new uses, which "can produce sufficiently high rental income to enable the building to which it is accustomed, are leisure, entertainment, shopping and offices."

Steps taken so far by Mr Silver are to give the Victoria and Albert Museum 100,000 sq ft at a peppercorn rent to house its South Asian collection and to devote 10,000 sq ft to a permanent "David Hockney" exhibition. Opera North is mounting a community production at the mill. But all of that barely dents the available space.

Clearly the main financial support will come from the retail side. There is also some industrial use. The conversion could cost £20m and he sees no problem in raising private sector finance.



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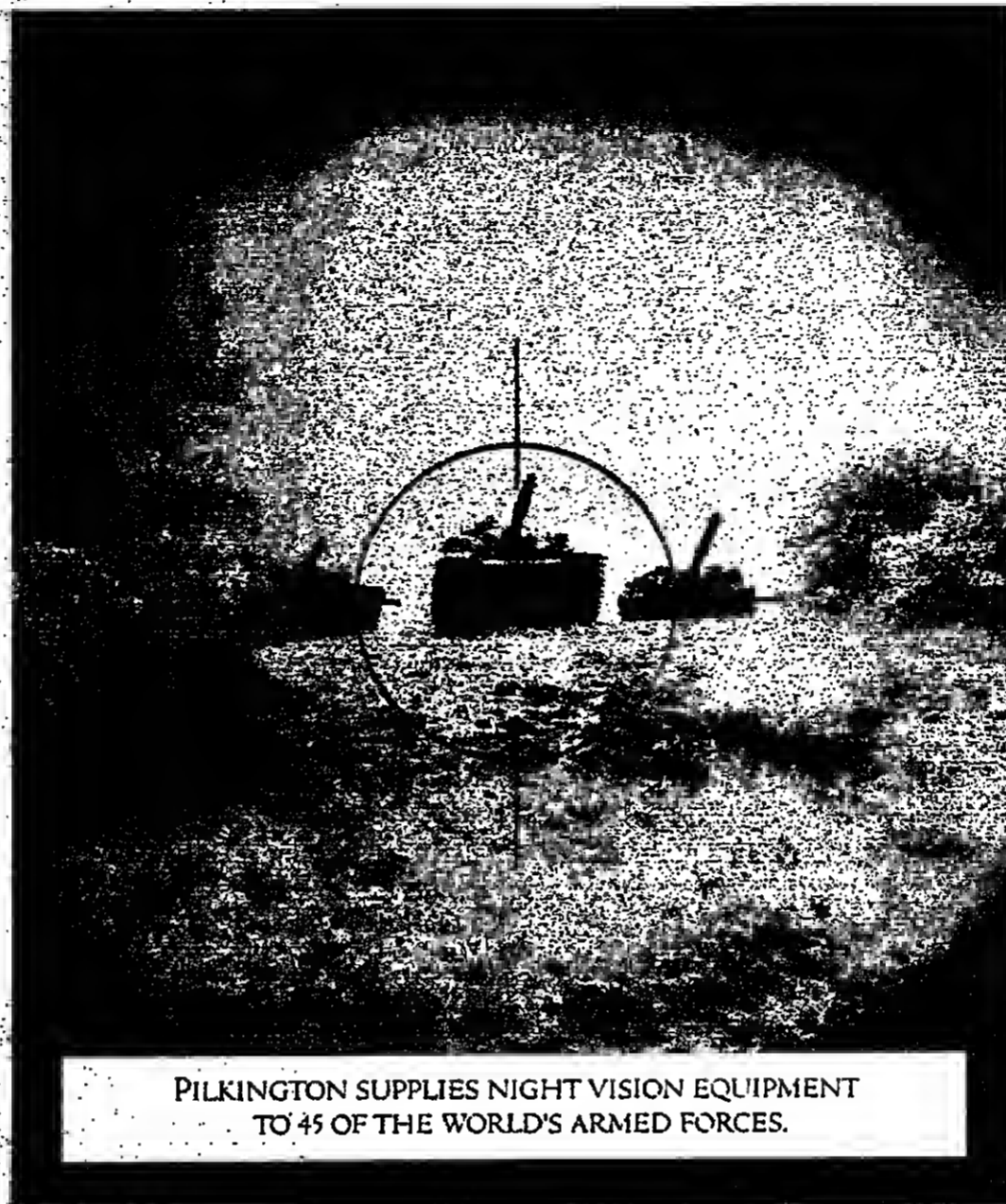
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dispute

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U.S. \$200,000,000

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NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Fiscal and Paying Agency Agreement dated as of October 1, 1984 between IBM Credit Corporation (the "Company") and The Chase Manhattan Bank (National Association) (the "Fiscal Agent"), the Company has elected to exercise its option to redeem all of the Company's Extendable Notes Due March 1, 2000 (the "Notes") pursuant to paragraph 7 of the Notes, on March 1, 1988 (the "Redemption Date") at a redemption price of 100% of the principal amount thereof (the "Redemption Price").

On the Redemption Date, the Redemption Price will become due and payable on the Notes and will be paid upon presentation and surrender of the Notes, together with all appropriate coupons maturing subsequent to the Redemption Date, at the paying agencies listed below. On and after the Redemption Date, interest on the Notes will cease to accrue. Coupons which shall mature on, or shall have matured prior to, the Redemption Date, should also be presented and surrendered for redemption at any of the following paying agencies:

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Chase Manhattan Bank Luxembourg, S.A. CP 240 Colin Boulevard & Grand Rue Luxembourg, Luxembourg	Nederlandse Credietbank, N.V. Herengracht 488 Amsterdam, The Netherlands
Berliner Handels- und Finanzbank AG 18 Bochumer Landstrasse 6000 Frankfurt, am Main 1, West Germany	Banque de Commerce S.A. 51/52 Avenue des Arts B-1048 Brussels, Belgium
Société Générale 28 Boulevard Haussmann Paris 75006, France	Banque General de Luxembourg S.A. 27 Avenue Montebello Luxembourg, Luxembourg

IBM CREDIT CORPORATION
By: The Chase Manhattan Bank
(National Association)
as Fiscal Agent

Dated: January, 1988

GRANVILLE SPONSORED SECURITIES

High Low	Company	Price	Change	%	Yield	P/E
206 133	Am. Intl. Ind. Ordinary	186	+1	8.9	4.8	7.0
207 145	Am. Intl. Ind. CULS	388	0	10.0	5.3	-
41 25	Armstrong and Rhodes	26	+1	2.1	3.7	8.8
142 40	BBB Design Group (USM)	55	0	2.7	1.7	26.5
128 108	Bardco Group	158	0	4.7	3.2	11.6
186 95	Bray Technology	145	+1	11.3	4.7	6.3
281 130	CCJ Group Ordinary	247	0	13.1	11.8	-
147 99	CCJ Group 11% Conv. Pref.	128	0	5.4	4.1	11.5
171 130	Carborundum Ordinary	130	0	10.7	10.6	-
104 91	Carborundum 7.5% Pref.	101	+1	3.7	2.2	4.4
180 87	George Bank	170	0	3.4	1.7	10.2
143 68	Idis Group	68	0	7.5	2.2	13.3
124 59	Jackson Group	92	0	2.7	4.8	2.4
780 300	Matheson NV (Amst)SE	325	0	5.5	4.4	4.9
88 35	Recent Holdings (SE)	57	0	6.6	3.4	9.6
115 85	Recent Hldgs 10% Pref (SE)	112	0	2.7	4.3	4.8
91 50	Robert Jones	50	0	5.9	3.8	11.6
124 31	Scotlines	124	0	17.4	7.8	22.3
224 67	Tony & Carole	197	0	5.5	4.2	13.9
71 32	Trevaan Holdings (USM)	63	0	2.7	4.3	4.8
131 41	Unilever Holdings (SE)	48	0	2.8	4.7	11.6
284 115	Walter Alexander	136	+1	5.9	3.8	11.6
220 190	W.J. Veates	223	+2	17.4	7.8	22.3
170 67	West Vork. Ind. (Hamp) (USM)	111	0	5.5	4.2	13.9

Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of The Stock Exchange. Other securities listed above are dealt in subject to the rules of FIMBRA.

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APPOINTMENTS

Management reorganisation at TI Group

Following the acquisition of John Crane US, TI GROUP has created a new management structure for its worldwide mechanical seals group. Mr Mark E.J. Radcliffe has been appointed as a main board director of TI Group and as president of John Crane International. Mr Radcliffe was deputy chairman and chief executive of TI's UK-based crane operation. Mr James L. Roe, formerly director of corporate development at TI Group, has become senior vice-president and commercial director at John Crane International. Mr Arthur L. Knight Jr has been appointed president of John Crane, Western Hemisphere (incorporating Canada, US, Central and South America), based in Chicago. Mr George E. McLaughlin has become president, John Crane US, which includes all US sales and distribution operations. He will continue as vice president, marketing, Western Hemisphere, based in Chicago. Mr Jeremy C. Watta has been appointed managing director of John Crane Europe, Middle East and Africa. He will continue to be based at Slough. Mr Karl Uth has been appointed as president, John Crane Far East and Asia and will be based in Singapore.

STERLING BOND CRAFT has appointed Ms Diana Thompson as marketing director. She was general marketing manager.

BAUTEIL HOLDINGS has appointed Mr Bruce McLeod as its managing director. He was managing director of Highest Group.

BRITANNIA REFINED METALS, the wholly-owned subsidiary of B.L.M. Holdings, has appointed Mr Giles Lewis as non-executive director. He is financial director of the F.R. Group.

Mr Roger J. Allen has joined HANIEL TRANSPORT as director in charge of airfreight activities at Air Haniel. He was Pandair Freight's regional director for Europe, the Middle East, Africa and the Far East.

Mr R.P. Strachan has been made a non-executive director of the WARD GROUP. He was group managing director of the Hargreaves Group.

VIEWPLAN, a part of the Trillion Group, has appointed Mr Michael Clossop as managing director. He was managing director of IMHOF, a subsidiary of BICC.

BENTLEY ENGINEERING has appointed Mr Michael Bradbury as sales and marketing director.

Mr Stephen Cockburn has been appointed a non-executive director of GREAT SOUTHERN GROUP. He is vice chairman of Great Southern's parent company J.D. Field & Sons.

PRIME ORGANISATION has appointed Mr Peter Shirley and Ms Andrea Skilbeck directors. Mr Shirley was a partner at Herbert Smith and Ms Skilbeck a senior executive at Charterhouse Development Capital. Mr George Anstey, former managing director of Straxia UK Insurance, has been appointed chairman of Prime Health.

Mr Julian Cousins has been appointed a director of all the operating subsidiaries of FIVE OAKS INVESTMENTS.

DCE has appointed Mr Miles Budden as managing director. He comes from DCE Vokes Pty, in Sydney, Australia.

At RENOLD CHAINS Mr John Pugh has become managing director in succession to Mr A.G. Harrison. Mr Pugh was managing director of Renold Conveyor at Burton-on-Trent.

Mr Michael Rosenberg has joined the board of SCINTRONIX as non-executive chairman. He was deputy chairman of United Medical Enterprises.

Mr J. Nicholas Oppenheim is to rejoin the board of KELLOCK, the Bank of Scotland factoring and invoice discounting subsidiary. Mr Oppenheim was instrumental in the founding of Kellock in 1978 and was chairman when Bank of Scotland acquired a minority shareholding in 1981.

Mr Padraig M. Fallon has been appointed to the board of ALIED IRISH BANKER. He is managing director of Eurimoney Publications and a director of Associated Newspapers Holdings.

Mr Charles Low has been appointed general manager of DEUTSCHE BANK AG London branch. Mr Low joined Deutsche Bank in 1986 as director of the Duisburg branch. He replaces Mr Lutz Mellinger who will be returning to Germany later this year.

The CHILLINGTON CORPORATION has appointed Mr Geoffrey Moores its finance director. Mr Bello Barnes has become director in charge of plantations.

Mr Andrew Neilson has been appointed managing director of BRYAN DONKIN, a Hopkinson Holdings company. He was manufacturing and construction director of Evans and Becker Lifts, a subsidiary of Ode.

Mr James W. Watson, franchise director at Apollo Window Blinds, has been appointed vice chairman of the BRITISH FRANCHISE ASSOCIATION.

Mr John Parton, assistant general manager and underwriter at Guardian Royal Exchange Assurance, has been appointed chairman of the INSTITUTE OF LONDON UNDERWRITERS. Mr Declan McMahon, managing director and underwriter of the Hans Marine Insurance Co (UK) and the Vesta Insurance Co, has been elected deputy chairman.

Mr W.G.E. Mills, assistant managing director of MTON, a member of the Taylor Woodrow Group. This follows the decision by Mr D.M. Rogers to relinquish the position of managing director whilst remaining chairman of the company.

Lord Crickhowell, former Welsh Secretary for State, has joined the board of RYAN INTERNATIONAL. He has also been appointed non-executive chairman of the newly-formed subsidiary Ryan Keltos.

E.B. TENNENT, a Sheffield Forgemasters company, has appointed Mr Clifford Webb its managing director. He was managing director at Scoonag Hydraulics.

Mr Lewis Tanner and his wife Mrs Liada Tanner have joined BANQUE PARIBAS CAPITAL MARKETS, based in London, as co-directors of the newly-created North American equity department.

ABERDEEN FUND MANAGERS has appointed the following to the board of the holding group: Mr Geoffrey Musson and Mr Philip Henderson from Ensign Trust, the principal institutional shareholder, and Mr Alan Henderson. Mr Musson is the managing director of Merchant Navy Investment Management, the wholly-owned investment management subsidiary of Ensign Trust. Mr Henderson is investment manager and director of Ensign Trust. Mr Gilchrist is a director of Merchant David Hamilton-Smith with particular responsibility for company development. Mr Henderson is chairman and chief executive of Newmarket Venture Capital.

Mr Graham Q. Beck and Mr Paul A. Bourden have been appointed executive directors of GREENWELL MONTAGU GILTEDGED, part of Midland Montagu, the investment banking and securities arm of Midland Bank.

PB LEASING, part of the Finney Bowes Group, has made the following appointments: Mr Robert Clark, finance director, has been promoted to the newly-created position of business development director. Mr David Hamilton-Smith joins the board as finance director having previously been financial controller. Mr Don Ashford, internal divisional manager, has been appointed operations director.

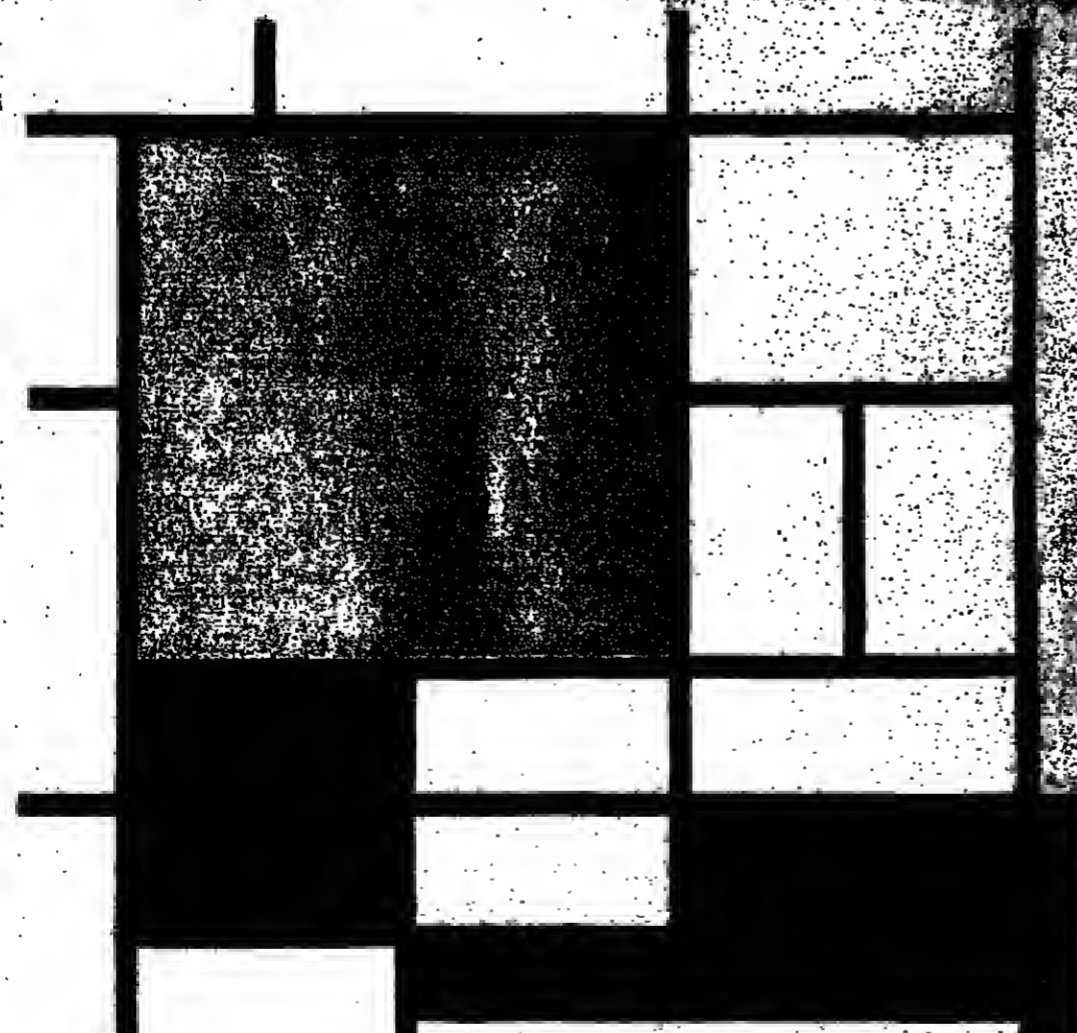
Mr Humphrey Mews has been appointed chairman's office director at MAXWELL COMMUNICATION CORPORATION from March 28. He was deputy private secretary to the Prince and Princess of Wales.

CARDIFF RAY DEVELOPMENT CORPORATION has appointed Mr Duncan Byrnes its commercial director. He has been with East Kibridge Development Corporation for the past 16 years.

Following the recent formation by BANK MEES & HOPE of a wholly-owned UK subsidiary Mees & Hope Securities Holdings, Mr R.L.G. Gardner has been appointed its compliance officer.

SMITH KLINE & FRENCH LABORATORIES has made the following changes: Mr Stewart S. Siddall, vice president and general manager, UK and Ireland, becomes vice president, UK group. This new role will include the Middle East, Africa, Eastern Europe, Greece and Pakistan. Dr Robert E. White, production director, is named to the new position of vice president, operations. Mr Philip G. House, director, finance and administration, has been appointed to the new post of vice president, finance and planning.

Composition with red, yellow, blue and black. Mondrian, 1921, Haags Gemeentemuseum



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FINANCIAL TIMES SURVEY

The crash is unlikely to destroy the new popularity of auctions, observe David Lawson and Janice McKenzie,

although caution is the watchword after some heady times last year. In 1988, when property is likely to out-perform equities, bookings seem to support optimism.

Respectable enthusiasts

WHEN THE lights failed at a central London auction a few months ago, it seemed like an omen that dark days were back in the sales rooms. Only three days had passed since Black Monday when the stock market crashed, and the crowd looked sparse when the delayed bidding got going by candlelight. But the best property sold and the rest was soaked up within a week. It will apparently take more than a mere stock market crash to destroy the new enthusiasm that is infusing the auctions business. Strangers had swarmed into sales rooms during the heady days of 1987. Doctors and MPs jostled with Asian traders for good positions in the front row; developers found themselves looking over their shoulders for bids flying in from fund managers and other big investors. And prospects for this year seem surprisingly good, if the amount of property being booked for auction is anything to go by, although the hard-core professionals are preaching caution. Whatever the mood, selling by auction will reap the benefit of a new respectability gained in the last few years. It is no longer the dumping ground for property with structural problems or too poorly located to

sell by conventional private treaty. It is also edging away from suspicions of rigged prices, dealer "rings" and auctioneers taking fictitious bids "off the wall" to inflate prices artificially. The auction in 1987 was as likely to be the first stop for a seller as a last resort. Investors took advantage of the roaring bull market in property to grab top prices for the bits and pieces they no longer wanted. And selling at auction saved all the hassle of long, drawn-out negotiations. Meanwhile, soaring house prices pushed up residential values, particularly building land, and owner occupiers caught on to the idea of picking up bargains for their own use. Traditional sellers were reinforced by public bodies like British Telecom, which have gladdened the hearts of many a developer and investor by cashing in on spare bits of property. BT shareholders would be just as heartened to see money rolling in for batches of redundant exchanges in anything from huts on Scottish islands to an old church in Cornwall, almost impossible to value because of the mixture of vacant property, working port, hotel and tourist complex. Nervousness held back bidding, but after the auction there were



Auctions

eye, these bodies see auctions as the best way of showing the world they are getting the maximum prices for their cast-offs. And the auction house is probably the best place anyway for raising cash from assets which are inherently difficult to value. It can also help to pull a shy buyer out of the woodwork. One of the lots offered in Conrad Riblat's first leisure auction in September was the harbourside village of Charlestown, in Cornwall, almost impossible to value because of the mixture of vacant property, working port, hotel and tourist complex. Nervousness held back bidding, but after the auction there were

gathered investors, and the lot was snapped up for £2.6m. But nervousness was out common at the increasing number of auctions being held to meet demand. Mr Clive Carpenter, of Alsops, one of the leading auction houses, points to the widening popularity that has brought new faces to the fore among the wheelers and dealers. "Jewellers, hoteliers, doctors, MPs and rag traders are among the part-timers now joining the traditional fraternity," he says. They are attracted by the fact that investment property can take up relatively little of their time if managed by agents. There were also plenty of fund managers buying as well as selling, showing how the product has improved. The most substantial groups at Alsops' auctions were Asians, who took almost a third of the purchases. But a fifth went to overseas funds, and tenants have also become a force, taking 10 per cent of all sales, says Mr Carpenter. All this activity has multiplied turnover and agents' incomes. Alsops broke its own record with a £6m auction in December, and more than doubled turnover in 1987. It sold 35 lots worth more than £1m each last year, while three went prior to auction for more than £6m each. The picture is similar among other agents. The London Auction Mart, used by 20 top London auctioneers, including

Houses and land	Leisure property
Shops	Fine art
Industrial property	Plant and machinery
Office property	

extraordinary case of a Woolworth store with a reserve of £30,000 not getting one bid," he says. But it sold later, and he was not sure how much of the bidders' reluctance was the result of the crash and how much of waiting around for the candles to be lit. A more pessimistic view came from Mr Benjamin Tobin, of Stretton, who saw the market becoming jittery towards the end of 1987. "Yields for good shop investments have fallen and show every sign of continuing to fall," he said. "A shop in a local parade in Chadwell Heath, Essex, let to Dewhurst, sold in our October auction for a yield of 4.12 per cent. But there is every indication that dealers are nervous, although less sophisticated purchasers - particularly those buying for occupation - seem to have no qualms about offering higher prices. Caution is obviously the byword this early in the year from most auctioneers. But many of the factors which should hold up the wider property investment market can be used in favour of auctions. The evidence alone Black Monday suggests that demand for real estate investment has been fortified by a number of factors," says Mr Peter Winfield, senior partner of Healey & Baker and chairman of the London Auction Mart. Property is likely to out-perform equities for the first time in five years. This should particularly draw in financial institutions that have allowed the proportion of their investment portfolios devoted to property to fall below 10 per cent. Meanwhile, the private buyer who deserted property for equities has suddenly found that the illiquidity argument usually used against property applies equally to stocks and shares when market makers are unavailable, that offer and bid margins are too wide, and that buying is restricted. Bookings for 1988 seem to back up the optimistic view. Edward Erdman's catalogues are full until April, according to Mr John Townsend, confirming his feelings when his last two 1987 auctions left only a couple of unsold lots. "Fries generated for the majority of lots make us feel the uncertainties of the equity market may have crystallised the minds of alert purchasers to the greater attention the institutional sector may pay to the solid performance of property," he says. Perhaps Mr Richard Pryce, Healey & Baker's auctioneer, locked on to one of the most important factors: the fact that success breeds success. As long as confidence in auction sales runs high, it brings in even more business. But a few of the old shadows may still have to be fully dispersed before that confidence is universal. Suspicions about "off the wall" bidding remain close to the surface, shown when the Office of Fair Trading was called in after a trading standards officer had challenged an auction held for Millrain Property at Southend last July. "The room was full of sellers," said Mr Ron Parrish, of auctioneers Folkard & Hayward, afterwards. "There were no genuine bids except on the properties which sold. Millrain said there had been a complaint from someone in the room that the auctioneer had been taking bids off the wall. It shows that people do complain, although it is in the general conditions of sale that we can bid on behalf of the seller." Mr Parrish had no case to answer, but said that one day the OFT was going to take such a complaint further. "The problem seems to lie in the interpretation of the conditions of sale, which allow auctioneers to bid for the seller - in other words, take them 'off the wall' - but not to make consecutive bids." The London Auction Mart has quietly produced guidance notes, but these involve a very small, albeit powerful, number of the UK's agents which use the Connaught Rooms in Great Queen Street. And some of these firms are drifting away to find their own sales rooms, so the rules are applying to even fewer auctions. It is generally thought better that auctioneers should introduce an effective code of practice for themselves rather than have the OFT coming in with guns blazing. Things have gone quiet lately, which may be the result of good practice. But auctioneers will have to keep a close watch that financial success does not degenerate into complacency. One well publicised slip up could do a disproportionate amount of damage to the confidence of buyers when it has taken so long to build this aura of respectability. If the cowboys are kept out, there seems no reason why auctions should not continue to grow in size and number. Nor will the South East take all the jam. Sales are starting up in Nottingham, Manchester, Birmingham and Liverpool to give provincial buyers a chance, and to save sellers having to send all their material down to London.

BY ORDER OF

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THE LONDON BOROUGH OF WANDSWORTH
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barnard marcus

NOTE STARTING TIMES 1.00 p.m.

LEISURE AUCTION SCORE

YEAR 1987 MONTH(S) March & September

PROPERTY	March	September
Bingo Halls	✓	✓
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Disposal Areas	✓	✓
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Friday January 29 1988

Changing role of the Bank

THE APPOINTMENT of a Governor to the Bank of England is a good moment to take stock of an institution which plays a central role in the country's financial and banking affairs. On this occasion, the re-appointment of Mr Robin Leigh-Pemberton highlights the process of change to which the Bank, like every other institution in the City of London, has been subjected in recent years. Many people will see the Government's decision to ask Mr Leigh-Pemberton to stay on as a sign that it wants the Bank to continue playing the less assertive, more functional role which it has taken on in the 1980's in both monetary and banking matters. While this transformation undoubtedly owes something to the eminent character of Mr Leigh-Pemberton himself, it is circumstances as much as the man which have brought about the change. There is no doubt that the last five years have marked a transition by the Bank. Whereas it used to exercise its authority through informal means, it now derives its powers largely from statute. But a modernisation of the Bank's role was also desirable - at least in some areas - and Mr Leigh-Pemberton's contribution to the process may well be that he has gracefully facilitated what was inevitable anyway.

Serious weaknesses
In the management of the UK economy, governments until the mid-1970's used to leave much of the handling of monetary policy to the Bank because that was its comparative competence. Whitehall's principal interest was in fiscal policy, then thought far more important. However, the priority attached to monetary policy was greatly enhanced after the sterling crisis of 1976; since then, and especially under the present intellectually self-confident Chancellor, monetary policy has remained the Treasury's domain. The traditional role of the Bank as a voice to advise and warn government has been reduced, and its utterings now come more from the wings than from centre stage. The Bank's function has become limited to the more

Anglo-French priorities
THE ANGLO-FRENCH summit which takes place in London today comes as a timely reminder that there is more to European co-operation than the ever-deepening relationship between Paris and Bonn. Recent history has demonstrated that Franco-German reconciliation is a pre-condition for peace in Europe. Yet there is a danger that, if too much emphasis is placed by Paris and Bonn on their bilateral links, the objective of greater political and defence co-operation within the European Community could be undermined. The meetings that Mrs Thatcher will be having today with President Mitterrand and Mr Chirac, the French Prime Minister, should provide an excellent opportunity for examining ways in which Britain can become more closely involved in the process of giving Europa a greater role in Western defence. However, it is not certain that the British and French leaders have the same priorities. While President Mitterrand is expected to try to give the joint development of an air-launched nuclear-armed missile a fresh political stimulus, Mrs Thatcher may be more concerned with continuing French support for the British position on agricultural and budgetary reform in the Community. The French reaction to the Prime Minister's insistence that West German attempts to curb farm spending through so-called budget stabilisers must be countered at all costs will provide an important pointer to next month's European summit debate on the subject. But her chances of obtaining anything but an ambiguous reply are slim, since the French appear broadly to support the compromise tabled by the West Germans in Brussels. Important as these Community issues are, they should

Robert Graham reports on Argentina after the second failed military rebellion in nine months

Alfonsín battles to keep the balance

PRESIDENT Raul Alfonsín has hooked his credibility to a ringing sentence uttered in the aftermath of last week's military rebellion. "We have once again put the house in order," he said reassuringly. But he needs to do a lot more reassuring, both at home and abroad, after the 36-hour rebellion that was crushed on January 18. It was the second such uprising in nine months and came as his popularity was being eroded by divisions within his Radical Party and by his Government's repeated failures to grapple with Argentina's stagnant, debt-ridden economy. Today, Argentines are no longer nervously listening to their translators and those that can keep abreast of inflation have resumed summer beach life. The leader of the rebellion, ex-Colonel Aldo Rico, who boasted that "a soldier does not negotiate, a soldier fights," has surrendered; and the army high command has detained those responsible, in the biggest purge of the officer corps for more than 25 years. All the same, Mr Alfonsín cannot slip easily into a mid-winter snooze. Political cartoonists in Buenos Aires have been portraying him as a haunted sleeper - menaced by a clutch of political, military and economic apertures, including Colonel Rico, his opposition and the IMF.

Rico was a victim of Argentina's need for heroes after the Falklands defeat
Col Rico was a spectre on a return visit. As well as leading this month's rebellion, he also instigated the uprising last Easter and should have been behind bars. Instead he was able to escape from house arrest in a Buenos Aires country club to the garson town of Monte Caseros, 380 miles north of the capital. From there he demanded a shake-up of the army high command and a vindication of the military role during the "Dirty War" against the Left (1976-82). These, he insisted, were purely military demands. But if he had the chance, Rico would have split the military establishment, taken all credibility from President Alfonsín and dealt a body blow to democracy. This last is the most important aspect. Democracy has been consolidated - since the junta ceded power after the 1982 Falklands debacle - by the military accepting civilian authority. President Alfonsín solved the problem of getting democracy accepted by the higher ranks by forcing the generals to retire, or by arraigning the principal junta figures. What has been more complicated has been the handling of those who could not be so easily retired: the middle-rank and junior officers and NCOs who grew up under the Dirty War. Even if, like Col Rico, they took no direct part in the Dirty War itself, they were often embittered by their superiors' incompetent handling of the Falklands conflict. These are men who have lost most in the new democratic order. Their privileges are reduced, and they have been cold-shouldered by much of the public. Their dissatisfaction has spawned a bitter-ness similar to that which nurtured the Organisation de



demand was for a shake-up of the army high command, including the army chief of staff. Gen Caridi was therefore acting primarily to save his own credibility and position; the president owes him no debt. These criticisms aside, the resounding defeat of the rebellion has certainly helped Mr Alfonsín with his political problems. In the short term, political commentators believe the president has recovered much of the ground lost after last year's rebellion. The concessions made then led to a poor performance by the Radicals in last year's mid-term parliamentary elections, and gains by the opposition Peronists. In the debate surrounding this month's rebellion, the Peronists have not distinguished themselves, choosing to blame the Government for the uprising, which they have done nothing but sit on the fence themselves. The Peronists are divided on the extent to which they want to help President Alfonsín. The Peronist presidential hopeful, Mr Antonio Cafiero, is anxious to play a constructive role and is aware that forcing a political showdown would be counter-productive. Mr Alfonsín can take only a partial comfort from this opposition disarray. His term lasts until 1989, and the constitution prohibits a second, so he will soon become a lame-duck leader. His only way round this is to change the constitution, but his party is divided on the issue, as are the Peronists. And the president is not only playing to a domestic audience: his Government's attempts to resolve the country's economic problems depend in large measure on the attitudes of Argentina's foreign creditors. Here, this month's rebellion has been little help to the country's image of stability - at a time when its external economic position is worse than at any time since the onset of the debt crisis. The 1987 trade surplus slumped to below \$1bn (\$590m) due to low prices for agricultural goods, which still account for 75 per cent of exports. Readily usable reserves are as low as \$500m. This year \$4.5bn is due to be paid out in debt service and, of the most optimistic projections of the trade surplus, the country will need a minimum \$2bn in fresh money. The alternative is some form of debt moratorium, a route which has solved neither Brazil's nor Peru's problems. Negotiations began this week in Washington with the International Monetary Fund on new financial aid, but the fund's demands are the same as when help was first sought in 1986: reduce inflation (now back up to 8 per cent a month) by cutting back the bloated public sector, raise utility tariffs and establish a more realistic exchange rate policy. The blame lies less with the Government's policies than with their implementation, combined with the constant drain of funds caused by service of the \$54bn debt. The unions, fighting to preserve real wages, have been recalcitrant in agreeing to a "social pact". Public spending has consistently overshoot targets through the Government's inability to control the big, semi-autonomous state companies and the desire of both the Peronists and Radicals to foster patronage. Mr Alfonsín apparently hopes to twist the arm of the international community on the grounds that a deteriorating economy imperils democracy. This weekend, in Madrid, he is due to sign a "solidarity agreement" with Spain, providing up to \$3bn over the next four years in financial aid, credits and investment. This is a strange reversal of roles. Almost 40 years ago Perón came to the aid of an impoverished and isolated post-civil war Spain with a loan. Argentina was then 11th in the league of the world's wealthiest countries. It is now almost 100th on the list. This comparison illustrates that, if Argentina's house is in order as President Alfonsín claims, he can only be referring to military matters. The economic house is still in disarray, the president's political position, though stronger, still suffers from inherent weaknesses; for the remainder of his term he will have to keep a wary eye on this military. None the less, Mr Alfonsín is right to find reassurance in the failure of the rebellion, though a bridge between civilians and the military cannot be built in such a short time, a start has been made.

Good head, lively body

OBSERVER

deputy chairman of London-Credit Suisse First Boston is flattered, appalled, or both, at an article in this month's Business magazine which calls him banking's beastliest boss - among other accolades like genius.

With the cunning matching of Fleet Street's more scurrilous journals, the magazine told Rudolf's secretary when she inquired whether they had the pictures that all were fine. The nameless member of the editorial staff said afterwards: "I hadn't the heart to tell her that we had pictured him with flames coming out of his ears and two horns."

Two's company
The respective leaders of Britain, France and West Germany appear almost to enjoy not getting on a trolly in a petting game of playing one off against the other.

They are at it again. President Mitterrand and a team of ministers are in London seeing Margaret Thatcher and her colleagues today. Chancellor Kohl is paying a brief visit next week, but the more detailed consultations that are supposed to be a normal part of Anglo-German governmental relations seem to have been postponed indefinitely.

Kohl and Mitterrand are in regular contact. Indeed Franco-German relations remain close regardless of the political complexion of their Governments. British Prime Ministers sometimes prefer Bonn, sometimes Paris. At present the West Germans are in the doghouse and the French are the favourites.

The responsibility for this behaviour seems to me to lie largely in London which does not want to put the triangle together.

There is one way, however, in which Kohl and Mitterrand could issue a polite challenge. They could formally and jointly invite Thatcher to take the pound into the exchange rate

With the skill of a Jackie Collins reaching the end of a chapter, he said: "It will reinstate Cezanne as a 19th century subject painter full of rampant sexuality. Next slide please."

There was more to come. Cezanne was a close friend of Emile Zola and once painted Zola's black marble clock. Pointing to a slide of the painting, Gowing said: "I will not conceal from you that the exhibition catalogue has much to say about Zola and that that relationship came well within the provisions of clause 28."

Shultz shuttle
On Monday this week Euzene Sinora and Fayez Abu Rahme, a Jerusalem newspaper editor and a Gazan lawyer, were just two of the many thousands of Palestinians currently banned from travelling across the Jordanian grounds that they were a threat to Israeli security.

Sinora, calling for civil disobedience against the occupation, had restrictions on his movements, while Abu Rahme was in Gaza City under a personal travel ban. Two days later they were in Washington meeting George Shultz, the express request of the US Secretary of State. Sinora has long been the favourite "moderate Palestinian" of both the Reagan Administration and the Labour wing of the Israeli coalition Government. Significantly, both he and Abu Rahme have in the past had the blessing of the PLO to take part in future talks with Israel. Shultz personally intervened at the highest level to relax the banning orders and telephoned Sinora to make sure his papers were in order.

Abu Rahme, meanwhile, was at home in bed when he received a 2 am call from the Israeli military. Passes and papers were spirited together in a matter of hours in time for the flight.

To the point
Overheard in a Cambridge college court the other day, one don to another: "And ninthly..."

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FX/ST/188

MR NEIL KINNOCK could be the best leader that Britain's social democrats have got. Right now he runs the Labour Party and calls his creed democratic socialism, but whichever way you order the words they mean pretty much the same thing.

The differences are no greater than they were between Lilliput, where the practice was to break eggs at the smaller end, and Blefuscu, ruled by Big-Endians. It is all there in Gulliver's Travels. (My edition has a learned introduction by Michael Foot, whose disastrous leadership of the Labour Party precipitated the defection of its right-wing "social democrats" in 1981.) Gulliver records the publication of many hundreds of large volumes on the controversy between the Little-Endians and the Big-Endians. Social democratic/democratic socialist opponents of the British Conservative Government's mix of populism and old-fashioned economic liberalism have yet to acknowledge that an egg is an egg, whichever way you crack it.

Until they do, tiny social democratic politicians will continue to run round like ants beneath the steady tread of Mrs Margaret Thatcher. Last weekend the Liberals decided to rename their party the Social and Liberal Democrats in the hope that, this weekend, the Social Democratic Party will vote to join them. The common expectation is that it will, but that Dr David Owen will lead a splinter group of his own (the Bitter-Endians?), into the palm of Mrs Thatcher's hand.

Politics Today

Looking for the last exit from Lilliput

By Joe Rogaly

If things work out that way Mr Kinnock will be in luck. His chance of winning some kind of co-operation from the new party will be greater if it does not contain Dr Owen and his followers, since one of the doctor's principal ambitions appears to be to destroy the Labour Party. The received wisdom among the opposition parties is anyway that the factions cannot abide one another, so one of them - Labour, Social and Liberal Democrats, or Dr Owen's new party - must flatten the rest before going ahead to defeat the Government.

What is not so widely understood is the extent to which the minor parties would have to be crushed if Mr Kinnock alone is to stand a chance of overturning the Conservatives' 101-seat majority at the next election. (To talk of Mr Steel or Mr Faddy Ashdown or Dr Owen or any of the other putative social democratic leaders achieving as much is piffle). Labour has managed a comparable turnaround only twice before - first in the excep-

tional 1945 election, and then again in 1964. On the first occasion the Liberals won less than a tenth of the vote. On the second they won just over a tenth, in large part as a result of defections from the Conservatives who had won so handsomely in 1959.

Now it is possible that third, fourth and fifth parties of the opposition "expectation" will do such great damage to one another's credibility that their combined vote will shrink below the 10 per cent

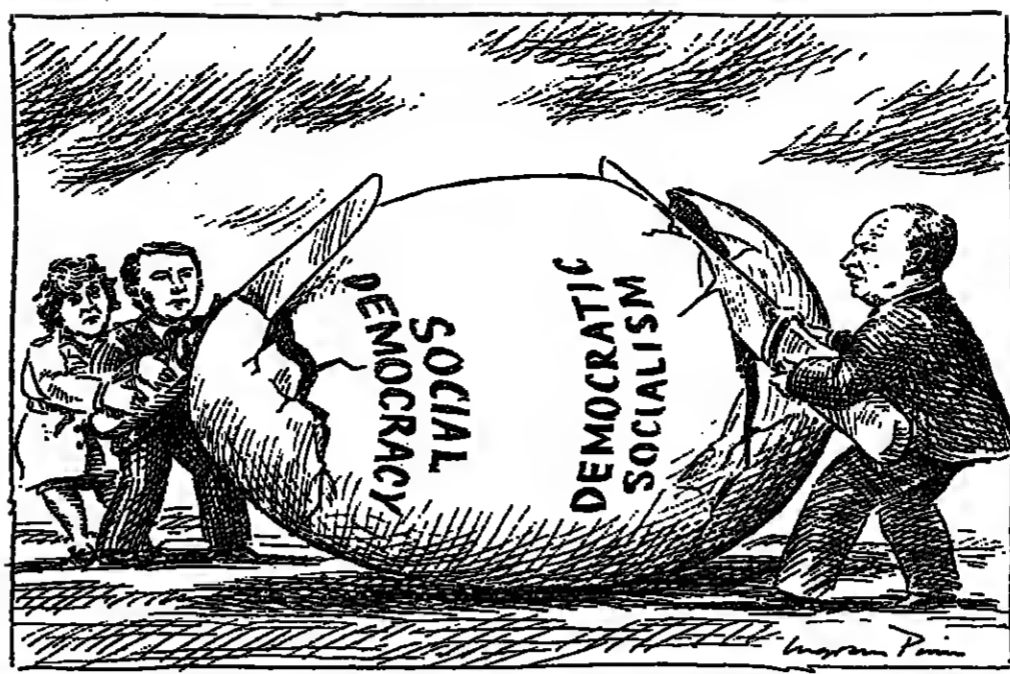
Mr Kinnock knows what has caused the loss of trust.

mark, but so far there is no sign of that happening. It is unlikely to happen until more people come to trust the Labour Party again. Mr Kinnock, who is wiser than he is given credit for, knows what has caused the loss of that trust. The first sign on any list would be the winter of discontent in 1978-79, when the trade unions disgraced themselves and their party by attacking refuse and hospital services. In some places their members were prevented from burying the dead. Mr Kinnock cannot erase the memory, but he is trying to prevent any such thing from happening again.

On Wednesday, for example, he persuaded Labour's national executive not to vote in support of a strike by the nurses next week. His success may be limited.

Labour can reel off a column of names of trade union leaders who are keeping their heads down and saying nothing to disturb the party's "new reason" but the nurses are not yet safely on board. All this is in sharp contrast to Australia, where the Labor Prime Minister, Mr Bob Hawke, enjoys the support of a highly-intelligent group of pragmatic and non-socialist trade union officials. They saw the light when they witnessed Britain's unions being crushed by the Tories, whose 1979 victory was in large measure a consequence of the winter of discontent. As a result everything is upside-down Down Under: it is Labor that has won the arguments, while the conservative opposition is lost and forlorn. Britain's trade unionists have not yet received the message, although Mr Kinnock has.

The second, more fundamental, reason for the loss of trust in Britain's Labour Party is that it has been overwhelmingly representative of producers in an age when consumers reign. The new model party that Mr Kinnock is trying to create is aware of this. His own pet phrase, "accentuate the positive," enables him to acknowledge the need for consumers' choice in all areas of life, even though, coming as he does from both Wales and the Labour party, he can hardly fail to include publicly provided services as one of the available choices. So attacks on private consumption are no longer commonplace. Mr Kinnock has done him-



self a great deal of good by concentrating on the third cause of distrust of the Labour Party: infiltration by Marxist and Trotskyite or "leftist" activists. The process started before the 1987 election, and only this week the national executive committee suspended the South-west and Bermondsey constituency party. There will be more such public rows, the effect of which will surely be to affirm that today's Labour Party is trying to rid itself of the extremists whose presence has driven so many social democrats out.

In the public mind a fourth reason for recoiling from Labour is closely allied with the third: the prosecution of "single-issue" politics, such as homosexual rights, in captive local authorities. One may agree, as the Labour leader undoubtedly does, that people should not be persecuted for their sexual preferences, or suffer discrimination on the ground of colour or gender - but also recognise, as he does, that flamboyant campaigns on these issues simply drive massed ranks of staid and old-fashioned Labour voters away. Some vote Tory, some abstain, Labour loses.

Mr Kinnock has worked hard to put these matters right. The "Labour Listens" campaign, started on Monday and scheduled to run for two years, could be construed as a means of getting party activists to listen to ordinary people's views. The move towards ordinary voters in the constituency organisation was a compromise: Mr Kinnock should have gone

further. He has, however, grasped hold of the party machinery, acting like a combination of chairman and chief executive; to those who complain that this is "dictatorial" the proper reply is that if Labour cannot demonstrate that it can put its own house in order it will never convince anyone that it can run the country. His passionate parliamentary attacks on the Government's management of the National Health Service have demonstrated that by

The next step would be a convincing economic policy

focusing on a serious issue of general concern Labour can hope to grasp the initiative (although the Prime Minister is no pushover; she has responded swiftly by bringing reform of the health service to the forefront of her own agenda).

Labour's unthinking Left is still trying to gang up on him; it always will. There may even be a contest for the leadership of the party, although last week Mr Kinnock was successful in brushing aside an attempt to campaign against his deputy, Mr Roy Hattersley. Events of this kind will provide grist for those parts of the press that are on permanent watch to report Labour unfairly, but they are unlikely to have much effect beyond that. Most of the Labour "movement" seems to be aware that

there is no present option but to follow Mr Kinnock.

This is not to say that he will lead them into the promised land of electoral victory. Too much has to fall into place for that to happen, at any rate in one go. But let us say that the new Social and Liberal Democratic Party eventually sees the sense of an accommodation with Labour and that Mr Kinnock grows to sufficient political stature to arrange one. (At present he will not hear of such a thing). The 1987 Labour Party election manifesto would probably have suited the original Social Democratic Party, except on defence; next time Labour will almost certainly abandon the commitment to unilateral nuclear disarmament.

The next step would be to find a convincing economic policy, one that assured potential voters that the prosperity that Mrs Thatcher had made possible would not be taken away. All the social democrats are a million miles from such a policy at present; but you never know, Mr Kinnock's policy review may produce a miracle. Labour-plus-social democrats might then do quite well, especially if the Tory Government is first shown to be at a loss about how to make use of the fruits of the market economy. In short, Mr Kinnock's chance is slim, even if he does all the right things. But if the opposition parties continue to behave like Lilliputians, that is what they will certainly remain.

Lombard

In praise of improvidence

By John Plender

ONE OF THE more curious features of recent international economic diplomacy has been the determination of Mr Nigel Lawson, the British Chancellor, to lecture the Americans on the need for fiscal prudence. Such exhortation almost invariably irritates more than it persuades. And in the light of this week's fourth quarter figures for the US economy, it seems pertinent to ask whether it really is in the British or European interest to see the Americans abandon their allegedly improvident ways.

The US has pretty well doubled in the course of this decade, which implies a fair amount of pain at the margin.

The US market is even more important for the Japanese. Yet they have become noticeably less inclined, over the past year, to cast aspersions on US economic policy - despite the damage wrought on Japanese investment portfolios by the devaluation of the dollar. All this may offer a clue to the likely pattern of trade and capital flows in 1988.

The picture that emerged was one of unexpectedly weak consumer demand, with sales falling well short of output. As a consequence business inventories have been piling up at a rate that clearly implies sharp production cuts in the first quarter of this year. Taken together with strengthening exports, this raises the possibility of a more marked improvement in the trade balance than most US forecasters have been counting on to date. If US fiscal policy were to be tightened just at the point when the personal sector is already releasing resources to facilitate trade adjustment, who outside the United States will take the strain? For the inevitable counterpart of a reduction in the US deficit is a deterioration in trade balances elsewhere.

The question surely has a certain piquancy for Mr Lawson after yesterday's less than buoyant UK trade figures. And it is scarcely designed to gladden the heart of the West Germans, who have never shown any desire to occupy the role of consumer of last resort in the world economy. Their *partis pris* has always been to attack the US for doing just that, while simultaneously exploiting the resulting export opportunity to bolster their own flagging growth. Europe, of course, remains the destination of the greater part of the West German export effort. But the share of German exports going to

Other interpretation of the October stock market crash is that the market was responding to the prospect that a US current account deficit running at \$150-160bn was impossible to finance. Private investors and central banks were over-stocked with dollars, and their reduced appetite for dollar-denominated assets would impose a rapid and savage trade adjustment. As the chief creditors of the US, however, the Japanese naturally have to ask where else they could divert their export effort. Only the Euro-zone Community has the potential to make much impact on the Japanese problem; and it seems unlikely that it has the political urge to oblige.

It follows that Japan has a powerful interest in a relatively slow adjustment to the US-Japanese trade imbalance. With its consensual tradition, and a financial structure in which institutional investors are subjected to official guidance, it becomes perfectly logical to regard losses on dollar investments as an appropriate loss leader for Japanese exports - a form of insurance against over-rapid adjustment. Perhaps Europe should take a leaf out of the Japanese book by encouraging its industrialists to go bargain hunting in the US and its investors to believe that the dollar really will be held at the present level. Maybe policy inertia in a presidential election year has its virtues after all.

City job losses will continue

From Mr Stephen Johnson. Sir, Dispute over the numbers employed in the City - 230,000 suggested by Mr Stephen Lewis of Philips and Drew, 220,000 suggested by Mr Baker of the Institute of Manpower Studies, or the more widely quoted 450,000-500,000 - obscures the point about prospective City job losses. It is not the figures, but the proportions of the job loss that are significant.

I believe that job losses in the sector will continue for some years, and probably accelerate. The process is because of the progressive application of established technology to improve productivity - itself a result of intensifying pressure to reduce costs.

Few would deny that competition is increasing not only in stockbroking, but in other dealing sectors, in insurance, as well as in home and foreign banking. No longer confident that volumes will inevitably increase, firms seek to reduce costs; inevitably this means people and premises. Consequential job losses will occur as firms cut down on external services. (One can choose whether to call these "City" or "non-City" jobs.)

There is nothing novel in what is happening in the City. The financial services sector's concern with access, not products, does not exempt it from recognisable trends in other sectors: the "back room" is as exposed to new technology as the assembly.

Clearly identifiable pressures require City managements to plan constructively for significant potential job losses.

Stephen Johnson, Coultis Career Consultants, 25 Whitehall, SW1

Letters to the Editor

Specialised help is required

From Mr Richard Bullock. Sir, Your leader of January 15 questioned the decision, announced in the Department of Trade and Industry White Paper, to continue with selective subsidies for inward investment, and drew attention to the adverse impact on unsubsidised competitors. Your recognition of this is welcome. It is a point we have repeatedly had to draw to the attention of ministers of this and previous administrations, who have all too often ignored - in their understandable desire to create new jobs in areas of high unemployment - the longer term displacement effect on existing jobs in established companies, and their plans for expansion.

There is a direct link between this matter and another decision trumpeted in the White Paper: the ending of "sponsorship" and "industry divisions". As a former practitioner in this field, I do not recognise the description of sponsorship which is used to justify its extinction: in my experience, sponsorship was by no means a matter of claiming responsibility for the "destiny" of particular sectors of industry nor of supporting their claims right or wrong.

It involved having a good enough understanding of the nature, problems and structure of an industry, and knowledge of its leading figures, to be able to make an informed judgement of the effects on that industry of government policies, and to ensure that these were understood by those taking decisions

not only on inward investment cases, but across the whole range of government policies.

As the White Paper itself says: "The way in which these policies are pursued, and the instruments used, can have a major and sometimes an unintended impact on business and enterprise. There is a need to influence the implementation of such policies so that they help more, or interfere less, with the essential process of wealth creation". The last sentence can hardly be bettered as a definition of the need met by the sponsorship function.

It is unreasonable to expect civil service experts on, say, tariffs, or health and safety, to have a sufficient understanding of the widely varying impact of decisions in such different sectors of industry to be able to avoid the risk of "an unintended impact".

If the decision to abolish sponsorship by industry divisions means that the DTI will no longer have staff with specialised understanding of particular industrial sectors, then I fear the number of "unintended" and damaging consequences of Government actions and inactions is likely to increase - to the detriment of Lord Young's ambition that his "Department for Enterprise" should assist the process of "increasing prosperity" throughout the economy.

Richard H.W. Bullock, Electronic Components Industry Federation, 7-5 Savile Row, WI

Nato policy is being reviewed

From Mr William C Danvers. Sir, Mr Robert Mauthner's article, "Nato policy is ripe for review", is a welcome contribution. It presents the case why the North Atlantic Treaty Organisation (Nato) must begin a much needed review of its strategy.

The North Atlantic Assembly (NAA) has undertaken a study of the future of the alliance. Headed by Senator William Roth of the US, it will, among other things, examine the role of Nato into the coming century. I hope that this report, due to be released in the next few months, will serve as useful a function as the Harmel Report, an analysis of "The Future Tasks of the Alliance", adopted by the Allies in 1967. As Stan Sloan wrote in his book, *Nato's Future*, the Harmel Report "provided an intellectual and political framework for Nato policies which accommodated the growing split in the alliance between left and right".

Perhaps the new North Atlantic Assembly report can help bridge the gap between the present dichotomy confronting Nato: the political commitment to the alliance. In any case, having such a study from the Assembly, an international organisation consisting of Nato countries' parliamentarians, will guarantee that the political dimension of the debate over Nato's future will receive its proper emphasis. In addition, the NAA's secretary general, Dr Peter Carriger, former member of the Bundestag and Minister of State in the West German Foreign Ministry, has a keen understanding of Nato's problems.

William C. Danvers, 110 S Buchanan Street, Arlington, Virginia 22204, USA.

Bureaucrats left by ministers to play God for too long

From Mr Hugh Corbett. Sir, Harry Shutt probably enjoyed writing his letter about the report of the Trade Policy Research Centre's study group on "Public Scrutiny of Protection", headed by Oliver Long, the former Director-General of the General Agreement of Tariffs and Trade (GATT). It can be fun taking potshots at people one does not know about things one knows little or nothing about. His remarks (December 23) have only just been drawn to my attention after returning from the Far East, where we convened in Bali on January 8-10 the fourth Asia-Pacific trade conference at which, incidentally, ministers and officials responded very positively to the proposals in the Long Report.

"Few would dispute" - Mr Shutt writes - "the desirability of having more informed public

debate on economic policy issues generally". In this particular instance, however, Mr Shutt has not troubled to inform himself, for he obviously has not read the Long Report.

Dr Long's study group has not suggested that the determination of public assistance in competitive difficulties "can be left to some 'politically independent' review agency uninfluenced by vested interests". On the contrary, its report argues that decision-taking should be left to ministers.

What the Long Report has suggested is that ministers any proposal that public assistance, whether through subsidies or protection, be given to a particular industry. The pur-

pose of the public enquiry would be to assess, *inter alia*, the likely costs (and benefits) to the economy, to allied industries, and to other interests (not just those of consumers and taxpayers), of the proposed public assistance.

Mr Shutt says he is not arguing "for narrow, autarkic protection, but for recognition that the benefits of international trade can ultimately be secured only through a process of regulation and negotiation, openly conducted, which ensures a degree of equity in their distribution".

Who would be responsible for that process? When Mr Shutt can answer that, beyond just saying "governments", he should write again. Perhaps then, Sir, we could all share something of his faith in the ability of bureaucrats to bring about the economic growth and

development of nations. In the meantime, though, it should be noted that the main task of governments in the Uruguay Round negotiations, now proceeding in Geneva under the auspices of the GATT, is to sort out the consequences of bureaucrats in industrialised countries being left by ministers to play God for too long in the field of international trade and competition; handing out a little bit of regulation here, doing a little bit of negotiation there, cartwheeling one industry after another, until they have helped not only to screw up the GATT system, but also, and more importantly, to screw up the economies in whose interests they might actually have believed they were working.

Hugh Corbett, Trade Policy Research Centre, 1 Gough Square, EC4

European Telecom Organizations ask you: Complicated business communication or Teletex?

"The expenses for the horses are high, but necessary; to both them in wine and other expensive things for example."



Message from the painter and political agent Peter Paul Rubens to the Duke of Montua, 1603.

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SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Friday January 29 1988

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ELF AQUITAINE OUTBID IN MARKET AS BATTLE FOR UK OIL GROUP INTENSIFIES

Arco takes 14% Tricentrol stake

BY STEVEN BUTLER IN LONDON

THE BATTLE over Tricentrol, the independent UK oil company, headed up sharply yesterday when Elf Aquitaine's French oil group, increased its offer for the British concern, only to be outbid in the market by Atlantic Richfield, the US oil company.

Arco walked away at the end of trading with 14.6 per cent of Tricentrol, paying up to 180p (£3.24) a share, and said it was considering the possibility of further increasing its holding. A bid for Tricentrol by Arco is now widely expected.

More than 47m Tricentrol shares in the company's equity - changed hands in a day of hectic trading while the price shot ahead from 160p to close at 187p.

Rumours that Arco was behind the buying gained currency early in the day when

Salomon Brothers, the US investment banker, bid for shares at 180p both directly to institutional investors and indirectly through Kleinwort Grieson, the stock broker which makes a market in Tricentrol shares.

Salomon Brothers had acted for Arco when it built its 24 per cent stake in Britoil, the UK independent oil company now defending itself against a bid from BP, the largest UK oil group.

Arco said at the weekend that it would sell its stake to BP at a profit of nearly £134m (£24m). Profit from the British share deal would go a long way toward financing a bid for Tricentrol which, at 180p a share, would be worth £148.76m.

Arco said yesterday that the investment in Tricentrol was a key part of the company's strategy

of increasing its international oil interests.

Arco had attempted to build a presence in the North Sea earlier through a deal with Britoil, but has now abandoned this plan in the wake of BP's increased offer for the company.

The new swirl of interest in Tricentrol came as Elf announced its final improved offer for the company, at 160p a share, up from 145p. The bid was given a fair chance of succeeding in the absence of a rival bid.

Elf yesterday had no comment on the bid, although it was except to note that a high price had been paid.

Elf and Tricentrol had engaged in a vitriolic verbal battle over the net value of Tricentrol's assets. Tricentrol put it at 234p a share, based on a

report by Robertson ERC, the independent oil consultant, while Elf said the company was worth 68.6p a share based on a report by the Oil Services Department of James Capel.

Tricentrol had earlier rejected the improved Elf bid, noting the dramatic rise in the company's share price and said the Elf bid was inadequate.

Tricentrol had no comment on the stake-building by Arco, although the company was thought to be pleased that it had been in effect rescued from Elf, at least for the time being.

Elf, which has now accumulated an 8 per cent stake in Tricentrol, had extended its offer for Tricentrol until February 12. The increased offer was to be made in cash, although Elf reserved the right to increase it should a rival bid emerge.

Porsche cuts payout as US side weakens

By Andrew Fisher in Stuttgart

PORSCHE, the West German luxury sports car producer whose sales have been severely curbed by the weakness of the dollar and last October's worldwide stock market crash, said it would avoid making a loss this year, despite sharp falls in turnover and production.

The company, which has already begun short-time working, yesterday said to strengthen group finances by cutting its dividend following a decline in net profits from DM75m to DM62m (£31.1m) for the year ended July 1987. Around 60 per cent of sales were made in the US.

Mr Heinz Brantzki, the new chairman, said that because of the decline in the value of the stock market, turnover in 1987-88 would fall from DM3.4bn to DM2.6bn, with car output down from 51,000 to around 31,000.

"You will not be presented with red figures at our next press conference," he added. But nor would the profit figure be "bombastic".

Porsche's finances, with DM370m of liquidity and no bank debt, were said to be strong if necessary, he said.

The dividend cut from DM16 to DM11 on the quoted preference shares had not been an easy decision to make, said Brantzki, the chairman of the board of directors, after a surprise promotion from the position of finance director. He replaced the more extrovert Mr Peter Schutz, who had taken Porsche more deeply into the US market.

Porsche's heavy exposure to the North American market made it vulnerable to the twin effects of the dollar's fall and plummeting share prices on Wall Street. Mr Brantzki said high earners like dentists, doctors, or space engineers had decided to hold back on costly purchases after seeing their investments slip.

Since November, US sales had accounted for only around half of total turnover, he noted. He denied that the big drop in US sales mainly reflected dentists' "yuppie" incomes. Yuppies, he said, were "a vanishing minority" of Porsche customers.

In the first five months of the 1987-88 financial year, Porsche car sales were down by 12 per cent to 19,000 cars. The decline entirely reflected sales of its cheaper four-cylinder models. Total US sales were down from 12,000 cars to around 9,000.

Mr Brantzki said Porsche intended to run down its stocks - now some 15,000 cars, including 8,000 in the US - and go into the 1988-89 financial year without a heavy backlog of cars. He declined, however, to talk about new model plans.

Newmont Mining cuts debt with sale of Du Pont shares

BY KENNETH GOODING, MINING CORRESPONDENT, IN LONDON

NEWMONT MINING, the US natural resources company, has raised about \$383.7m by selling shares in Du Pont, the largest US chemical group, helping reduce the debt load built up last year when fighting off an unwelcome bid from a group led by Mr T. Boone Pickens, the corporate raider.

The cash raised reduced Newmont's debt from \$1.93bn to \$1.6bn. The 4.16m shares were sold on the open market between January 16 and 25 and accounted for less than 2 per cent of the Du Pont issue.

Newmont also announced a boost in net profit last year, from \$74.2m in 1986 to \$341.5m, with sales increasing from \$380.5m to \$614m. Earnings per share rose from \$1.22 to \$6.32.

Last year Newmont collected

\$338m before tax for the sale of shares in subsidiaries - including 25 per cent of its Australian offshoot - compared with \$44m in 1986.

The pre-tax income also reflected non-recurring charges of \$47.3m for 1987 and \$60.1m for 1986.

During the takeover battle, Newmont paid a special dividend of \$33 a share and Consolidated Gold Fields, the UK mining finance house, built up its shareholding in the US group to 49.7 per cent.

Newmont said it expected to complete the sale of its Foots Mineral subsidiary for about \$90m in the first quarter of this year, to help reduce debt.

The company is also believed to be raising a gold loan which would bring in about \$450m at an interest rate of 1.5 per cent. So far there has been no formal

confirmation of the deal.

Newmont has also begun discussions to sell more of Newmont Australia, which yesterday reported a dramatic jump in production, turnover and profit for the year to December, writes Chris Sterwell in Sydney.

Announcing its first results since being listed last June, the company said it produced 187,000 ounces of gold (up 66 per cent), improved turnover by 83 per cent to A\$122.3m (US\$47.3m) and increased net profits by 63 per cent to A\$55.4m.

Ivanhoe Partners, Mr Pickens' group, reduced its Newmont shareholding from 5.5 per cent to 7.4 per cent when one of the partners - the Harbert Corporation - sold 1.66m Newmont shares on the open market at \$34 each.

Bell Canada shows 32% gain

BY DAVID OWEN IN TORONTO

BELL CANADA Enterprises, the diversified telecommunications company whose subsidiaries include Northern Telecom, has reported a strong 32 per cent increase in fourth-quarter profit.

However, the improvement in full-year earnings was much less impressive due to what Mr Jean de Grandpre, BCE's chairman, described as "difficult market conditions" in the energy sector.

In its final quarter, the Montreal-based company posted profits of C\$340m (US\$267.7m) or C\$1.22 a share, compared with C\$268m or 94 cents in the corresponding 1986 period. Revenue edged down to C\$3.5bn from C\$3.8bn.

Fourth-quarter figures for

1986 were hit by writedowns in TransCanada Pipelines' oil and gas assets.

Income for the full year totalled C\$1,090m or C\$3.51 a share on revenues of C\$14.6bn, against C\$1,028m or C\$3.83 on revenues of C\$13.8bn.

BCE said the contribution to its per-share profit from the operations of Bell Canada amounted to C\$2.61 for the year and 66 cents for the last quarter, compared with C\$2.58 and 66 cents in 1986.

Cominco, Canada's largest lead and zinc producer, will begin shipments from its high-grade lead zinc mine in Alaska in 1990 - one year earlier than expected - because of good progress in construction, writes Robert Gibbons from Montreal.

The Red Dog project will assure Cominco of its future reserves for about a century after its seven British Columbia mines are exhausted.

The project will cost C\$400m, including C\$130m for infrastructure. Cominco expects zinc production in 1988 to reach capacity of 300,000 tonnes with lead near a 136,000 tonnes capacity.

The zinc forecast would be up 42.5 per cent from 1987 with lead up 66.2 per cent.

Cominco will also decide this summer whether to become a gold producer for the first time. It wants to develop the Snip gold property in northern British Columbia.

Scott Paper moves ahead by 25%

BY OUR FINANCIAL STAFF

SCOTT PAPER, the Philadelphia-based timber to tissues group, booked net profits by more than a quarter last year to \$233.8m, compared with \$186.5m. Sales rose almost a fifth to \$4.12bn, from \$3.44bn.

Mr Philip Lippincott, chairman, said the results, which took earnings per share to \$6.11 against \$4.86, "underscore the continued strength and market leadership positions of our personal care and cleaning businesses worldwide and our printing and publishing paper business in the US."

For the final three months

alone, net earnings were up an even steeper 27.5 per cent to \$67.5m, compared with \$62.5m, or \$1.77 a share against \$1.40.

Turnover moved a more modest 11.6 per cent higher at \$1.10bn, from \$986.4m.

The profit advance was assisted by a sharply higher contribution from equity-accounted affiliates abroad.

These brought in \$35.5m for the year, more than double the figure of \$17.7m for 1986, while the \$21.1m for the final quarter compared with just \$1.9m.

Scott attributed this mainly

to a strong showing by its Mexican offshoot where a debt recapitalisation programme was undertaken.

Earnings in its mainline consumer products, where it is the world's leading tissue maker, grew 5 per cent.

However, domestic growth wilted under the impact of a strike, increased manufacturing costs and promotional expenses.

For the current year, Mr Lippincott warned of "continuing challenges in a very competitive business."

Strong gain for General Dynamics

BY OUR FINANCIAL STAFF

GENERAL DYNAMICS, the US defence and aerospace group, has reported fourth-quarter earnings of \$86.3m or \$2.27 a share, compared with a year-ago loss of \$326.1m or \$7.64.

The 1986 period included a \$420m writedown related to the purchase of Cessna Aircraft. The company attributed its improved results mainly to the increased production rate of the F-16 fighter. Deliveries last year were 299, compared with

201 in 1986.

In addition, the Cessna civil aviation division showed benefits from restructuring undertaken in the past year.

General Dynamics said its funded order backlog at year-end was \$17bn, compared with \$16.5bn a year earlier.

The recent \$4.4bn contract award General Dynamics shares with McDonnell Douglas for development of the US Navy's Advanced Tactical Air-

craft and a \$644m contract for construction of the Navy's 16th Trident submarine were not included in the 1987 figure.

For the year, net profit was \$437.3m or \$10.26 a share against a loss of \$52.5m or \$1.23 in 1986. Earnings in 1987 were boosted by \$50m to reflect tax-law changes.

Sales rose from \$8.89bn to \$9.34bn, with a contribution of \$2.4bn against \$2.88bn in the final quarter.

Xerox profits advance to \$155m

By Roderick Oram in New York

XEROX yesterday reported a further rise in operating profits and sales from office equipment and financial services, its two main businesses, although a much higher tax rate reduced the benefits at the net level.

In the three months ended December, net profits rose to \$166m, or \$1.43 a share, from \$87m, or 77 cents a share earlier. Revenues grew by 14 per cent to \$4.2bn from \$3.7bn.

Full-year net advanced to \$578m, or \$5.85 a share, from \$465m, or \$4.38 on sales ahead 15 per cent at \$14.9bn against \$12.8bn. The 1986 net profits were hit by special items.

Net profits in 1986 from continuing operations, before the charge, were \$138m, or \$1.29, in the quarter and \$488m, or \$4.52, in the year.

Mr Paul Allaire, president, said, "Our full-year pre-tax profit was 41 per cent higher than it was in 1986 but that growth did not totally flow through to income because of a much higher effective tax rate."

Favourable foreign exchange translation of non-dollar results boosted revenues by 6 per cent in the year and 1 per cent in the latest quarter.

Full-year income from business products and systems rose 6 per cent in the quarter to \$93m from \$88m and by 15 per cent to \$288m from \$260m in the year.

Revenues rose 10 per cent to \$10.3bn. Xerox said it improved its market share in all copier and electronic printing market segments.

Income from financial services grew 24 per cent to \$82m from \$50m in the quarter and 23 per cent in the year to \$280m from \$229m.

Dow Chemical earnings double in fourth quarter

BY ANATOLE KALETSKY IN NEW YORK

DOW CHEMICAL, the second largest US chemicals concern, more than doubled its profits in the fourth quarter, with a net income of \$952m or \$1.86 a share - 110 per cent higher than the \$198m or 39 cents earned a year earlier.

For 1987 as a whole, Dow's profits hit a new record of \$1.24bn or \$6.50 a share, 69 per cent above the previous year's \$732m or \$3.97.

Mr Frank Popoff, president, said he was delighted with the company's "outstanding" performance and predicted that 1988 would see another record year, surpassing the latest results.

Sales and operating incomes were up during the quarter in

every business segment and all geographical areas, Mr Popoff said, adding up to an "exceptional performance throughout the company."

Dow's total net sales for the year, at \$13.88bn, were up only 20 per cent on the 1986 level, a gain only slightly ahead of the average depreciation of the dollar during the year.

However, the quarterly sales gain was 28 per cent to \$3.6bn, suggesting a further acceleration since the third quarter, when Dow's sales rose by 22 per cent to \$3.36bn.

Mr Popoff said basic chemicals and plastics were among the strongest performing business sectors, while industrial special products showed little

gain from the third to the fourth quarter.

He noted, nevertheless, that fourth quarter results for industrial special chemicals were 15 per cent better than a year earlier in terms of both sales and profits.

Dow's operating margins also rose sharply. The ratio of operating income to net sales, at 17.3 per cent, stood at the highest level for more than a decade. However, the index of average selling prices was still lower than it had been before 1981.

Dow's capital expenditures rose by 11.8 per cent to \$895m in 1987, while research and development spending showed a 10.7 per cent increase to \$670m.

Broad upturn for Walt Disney

BY OUR FINANCIAL STAFF

WALT DISNEY, the US entertainment group, lifted first-quarter net earnings from \$83.8m or 66 cents a share to \$100.4m or 73 cents a share, reflecting improvement in all three of its principal business segments.

Revenues in the quarter ended December 31 also rose, from \$660.9m to \$734.6m.

The theme parks and resorts segment saw revenues climb 7 per cent to \$385.7m, from \$358.5m a year earlier. Operating earnings picked up 12 per cent to \$57.5m, from \$53.7m.

Revenues from filmed entertainment rose 14 per cent to \$297.8m from \$262.3m, and operating profits were up 7 per cent to \$57.5m from \$53.7m.

Disney said the outstanding box-office receipts, the highest level ever for a Disney film.

In the consumer products segment, revenues rose 29 per cent to \$51.1m, from \$38.6m, and operating income was up 33 per cent to \$31.1m, from \$23.4m.

Total corporate expenses declined to \$13.6m from \$18.5m, due principally to higher investment and interest income.

MCA, another leading US film producer, lifted fourth-quarter net earnings from \$17.3m or 23 cents a share to \$21.8m or 30 cents.

The Universal City-based group had full-year profits of \$137.3m or \$1.82 a share against \$150.9m or \$1.97, on revenues of \$2.57bn, up from \$2.44bn.

Spanish banks unveil share issues

BY DAVID WHITE IN MADRID

BANCO DE Bilbao and Banco de Vizcaya yesterday unveiled plans for free share issues, bringing their nominal equity capital to parity ahead of their merger, which will create Spain's largest banking group.

They also proposed 26 per cent increases in their dividends, equivalent in both cases to 48 per cent of par value.

Each bank will raise its nominal capital to Pta288bn (\$200m) - from Pta24bn in Bilbao's case and Pta20.7bn in Vizcaya's.

Shareholders will be able to exchange shares for shares in the new Banco Bilbao-Vizcaya.

Bilbao's increase is to be made through a one-for-six free issue. Vizcaya's capital increase will have three stages.

Its Pta750 shares will be raised in value to Pta887.46, and converted into Pta2500 shares by providing extra shares - 1,749 new shares for each old one. The bank will make a one-for-seven free issue, leaving it with a total of 56m Pta500 shares, the same as Banco de Bilbao.

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IRS postpones \$6.5bn back-tax claim on Texaco

BY OUR NEW YORK STAFF

THE US Internal Revenue Service has decided to postpone its efforts to claim \$6.5bn in back taxes from Texaco until the oil company has left the protection of the bankruptcy courts.

The IRS move, announced in court on Wednesday, clears the way for shareholders and creditors to vote on Texaco's reorganisation plans in coming months.

The oil industry and Texaco's creditors were stunned two weeks ago when the IRS said

Texaco might owe a huge sum in back taxes because of the way it treated shipments of Saudi Arabian crude oil. Texaco and the three other partners in the Arab American Oil Company operating in Saudi Arabia - Mobil, Exxon and Chevron - vigorously rejected the claim and the logic behind it.

The prospect of such a huge claim threw into turmoil Texaco's plans to pay about \$6bn to Pennzoil and other creditors so it could emerge from bank-

ruptcy protection. Pennzoil had won multi-billion dollar damages from Texaco for the way Texaco snatched Getty Oil away from it in a bitter takeover battle.

It was not immediately clear whether the IRS move was a tactical postponement until a more opportune time or the end of its back-tax claim. A Texaco official said the oil group was unsure whether the possibility of the IRS pursuing the claim after the reorganisation would

have any impact on its plans.

Texaco expects its plans to be approved by the bankruptcy court shortly, so it can begin the long voting process by shareholders and creditors.

If all goes according to schedule, Texaco could emerge from bankruptcy protection by mid-April. If, however, the IRS extracted some huge back-tax payments after the reorganisation, it could adversely affect Texaco's ability to follow through on its financial plans.

INTERNATIONAL COMPANIES AND FINANCE

Isvemer U.S. \$100,000,000 Floating Rate Participation Certificates Due 1992

The Finnish Paper Mills' Association - Finnmap U.S. \$100,000,000 Floating Rate Notes Due 1995

CHASE MANHATTAN OVERSEAS BANKING CORPORATION FLOATING RATE NOTES DUE 1993

Société Nationale des Chemins de Fer Français U.S. \$75,000,000 Guaranteed Floating Rate Notes 1993

FIDELITY FEDERAL SAVINGS AND LOAN ASSOCIATION Collateralized Floating Rate Notes Due 1992

CITICORP BANKING CORPORATION U.S. \$400,000,000 GUARANTEED FLOATING RATE SUBORDINATED CAPITAL NOTES DUE OCTOBER 1996

CITICORP BANKING CORPORATION U.S. \$50,000,000 Floating Rate Notes Due July 29, 1991

Benedetti chocolates unit up for sale

MR CARLO De Benedetti is close to withdrawing from the confectionery business which he entered in a surprise diversification move in February 1986.

The CIB financial holding company which controls Mr De Benedetti's interests in the food industry is evaluating offers for Perugia, a manufacturer of chocolates and cakes with a stock market value of about L391bn (\$260m).

EUROPEAN CEMENT INDUSTRY

Euroc and Aker buy US plants

BY SARA WEBB, STOCKHOLM CORRESPONDENT

EUROC, the Swedish building materials, engineering and trading group, and Aker Norcem, its Norwegian counterpart which specialises in oil drilling equipment, have together agreed to buy cement and concrete plants in the US worth about SKr500m (\$83.4m).

Euroc produces about 1.7m tons of cement each year in Sweden, of which 600,000-700,000 tons are for export to the Middle East, Africa and the US.

and the EC as the prime areas for expansion. Scancem is also buying Vine-land, a concrete company with six factories in the New Jersey area, which is expected to be an important buyer of cement.

Holderbank reorganises North American venture

BY JOHN WICKS IN ZURICH

THE US and Canadian cement interests of Holderbank and Société Suisse de Ciment Portland have been taken over by a newly-formed holding company jointly owned by the two Swiss groups.

Holderbank owns 89 per cent of Holnam and SSCP the balance. The group consists of 17 cement plants with an annual capacity of 15m tonnes, as well as numerous sand, gravel and ready mixed concrete facilities and other construction-related businesses.

Finnish group buys 80% of three CBR offshoots

BY TIM DICKSON IN BRUSSELS

THE FINNISH Partek Group, whose activities cover building materials, concrete technology, and lifting equipment, has acquired an 80 per cent stake in three subsidiaries of CBR, the Belgian cement group.

The three companies - the Belgian CBR Beton, the French IB-Morin and the Dutch ENCI subsidiary Scholckon - have combined sales of \$85m and run six pre-cast concrete plants producing architectural and frame panels, hollow core slabs, bridge beams, staircases and tunnel-lining units.

Karstadt sales show sound improvement

By Our Financial Staff

KARSTADT, WEST Germany's biggest retailing group, said yesterday that trading levels in 1987 had been satisfactory and that parent company sales had improved from DM9.39bn to DM9.9bn (\$5.9bn).

The company gave no indication of profits for last year. For 1986 the group reported a parent company net profit of DM82.6m.

Procordia in SKr280m Norwegian purchase

BY OUR FINANCIAL STAFF

PROCORDIA, THE Swedish state holding company is paying SKr280m (\$46.6m) for an 10 per cent shareholding in Nora Industrier, the big Norwegian industrial company.

Procordia, with interests in tobacco, brewing, drugs and engineering, said the deal was the first move towards a closer integration with Nora.

Sanofi bounces back onto acquisition trail

By George Graham in Paris

SANOPI, the pharmaceuticals company controlled by France's BSN-Aquitaine group, is consulting itself for the failure of its bid for the US drug group A.H. Robins by bouncing back on to the acquisition trail.

The company is to buy King Lee, the Canadian company, and is also adding two small Italian perfume makers to its portfolio. King, which has annual sales of C\$35m (\$27.4m), claims the leadership of the Canadian soya-bean market with a 20 per cent share, and second place in the maize market with 9 per cent.

Hispano Americano bank lifts dividend

BY DAVID WHITE IN MADRID

BANCO HISPANO AMERICANO yesterday announced a sharp increase in its dividend for 1987 to Ptas100 per share from Ptas60, while channelling almost all its earnings into provisions.

Hispano Americano said it was raising its reserves and providing for pension funds under new rules and for country loan risks.

CITICORP OVERSEAS FINANCE CORPORATION N.V. U.S. \$25,000,000 GUARANTEED RETRACTABLE NOTES DUE 1997

Security Pacific Corporation Dutch Guilders 250,000,000 Floating Rate Notes 1986 due 1986

Autopista Vasco-Aragonesa, Concesionaria Española, S.A. U.S. \$70,000,000 Guaranteed Floating Rate Notes due 1985

The Kingdom of Belgium Floating Rate Notes Due February, 2000

NMB BANK Nederlandsche Middenstandsbank nv U.S. \$100,000,000 Floating Rate Notes Due 1992

National Australia Bank Limited U.S. \$500,000,000 Floating Rate Notes due 1997

The Republic of Italy Floating Rate Notes due 2005

Bergan Bank A/S U.S. \$50,000,000 Floating Rate Notes due 1991

Republic New York Corporation U.S. \$150,000,000 Puttable Capital Notes

CITICORP U.S. \$500,000,000 Subordinated Floating Rate Notes Due October 25, 2005

Korea Exchange Bank U.S. \$150,000,000 Floating Rate Notes Due 1985

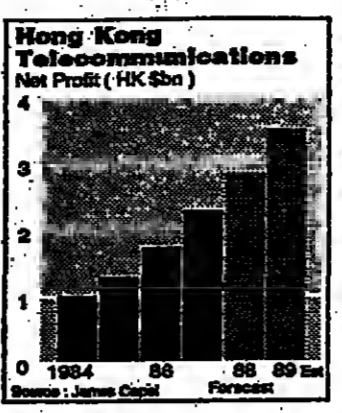
CITICORP U.S. \$50,000,000 Subordinated Floating Rate Notes Due November 27, 2005

INTERNATIONAL COMPANIES AND FINANCE

David Dodwell on the newly-created group which will be Hong Kong's largest
HK Telecom set for recession-proof growth

WHEN STOCK market trading in Hong Kong's telecommunications begins on Monday, investors will have their first chance to buy shares in what will instantly become the territory's largest company.

piece, putting a total of 20 per cent of the company into public hands. But the launch could hardly have been more ill-starred - set for the morning of October 19 last year.



that the new company will be among the most potent operating in Hong Kong, ranking alongside China Light and Power as having a recession-proof prospect of real growth passing 20 per cent a year for at least five years ahead.

past five years developed close links with the mainland, both as a consultant and a provider of telecommunications services, and there are hopes this will pre-empt any predatory moves in Hong Kong by the Peking authorities.

Strong recovery for Bethlehem Steel

BETHLEHEM STEEL, the third largest US steel group, has reported net profits for the 1987 fourth quarter of \$71.5m or \$1.02 a share fully diluted, more than double the previous year's \$34.2m or 55 cents a share.

with a loss of \$152.7m or \$3.37 a share in 1986 when the company was still suffering from a high level of imports of steel into the US, competitive pricing, and sluggish demand.

Malaysia to complete DTC rescue package

By Wong Sulong in Kuala Lumpur. BANK NEGARA, the Malaysian central bank, has announced the final stage of a 1bn ringgit (\$200.9m) rescue package for the country's deposit-taking companies.

SAINT-GOBAIN 1987 NET INCOME: FF 2.75 BILLION + 90%. The Saint-Gobain Group, 1987 was a good year. According to current estimates, Group net income before minority interests increased by 23%...

Italian International Bank Plc U.S. \$60,000,000 FLOATING RATE NOTES DUE 1991. In accordance with the provisions of the Notes, which is hereby given that for the six month interest period from 29th January 1988 to 29th July 1988 the Notes will carry an interest rate of 7 1/4% per annum and the Coupon Amount per US \$10,000 will be US \$322.33.

Freeport Indonesia in \$80m expansion plan BY KENNETH GOODING, MINING CORRESPONDENT. FREEPORT INDONESIA, 65 per cent owned by the US natural resources group Freeport-McMoRan, has started a three-year, \$80m expansion programme to lift ore output at its copper mine by 4,000 tonnes a day to 20,000 tonnes.

GKN plc DM 110,000,000 Issue of preference capital in Guest, Keen and Nettelfolds (Deutschland) GmbH utilised to increase its stake in UNI-CARDAN AG. We advised GKN on this financing and subscribed for the new preference capital. COMMERZBANK

Bank of Montreal (A Canadian Chartered Bank) U.S. \$250,000,000 Floating Rate Debentures, Series 9, due 1996. Notice is hereby given that the Rate of Interest for the three month period 29th January, 1988 to 29th April, 1988 has been fixed at 7 1/4 per cent.

Mabon Nugent 1892 We are pleased to announce the following appointments in our firm General Partners Mark A. Kurland and David S. Wade. Special Limited Partners Leslie E. Dyer and Glen F. Hands. Mabon, Nugent & Co. 115 Broadway New York, NY 10006 212/732-2820 January, 1988 London

Notice of Early Redemption THE SEIYU, LTD. (the Company) U.S. \$20,000,000 8% Convertible Bonds Due 1996. Notice is hereby given that in accordance with Condition (8)(B) of the Terms and Conditions of the Bonds, the Company will redeem all of the outstanding Bonds at 102 per cent of their principal amount on February 29, 1988 when interest on the Bonds will cease to accrue.

Wells Fargo International Financing Corporation N.V. U.S. \$50,000,000 Guaranteed Floating Rate Subordinated Notes due 1996. In accordance with the provisions of the Notes, notice is hereby given that for the Interest Sub-period 29th January, 1988 to 29th February, 1988 the Notes will carry an Interest Rate of 7 1/4% per annum.

EVERED HOLDINGS PLC £75,000,000 COMMITTED REVOLVING CREDIT FACILITY Arranged by BARCLAYS de ZOEETE WEDD Provided by Barclays Bank PLC Lloyds Bank Plc National Westminster Bank Group Midland Bank plc Grindlays Bank p.l.c. December, 1987

INTERNATIONAL CAPITAL MARKETS

Rule change angers French banks

BY GEORGE GRAHAM IN PARIS

FRENCH BANKS are up in arms about the introduction of new accounting rules which could seriously reduce their reported profits for 1987.

in cases where the interest rate risk is fully covered by other financial operations.

The measure threatens a wide range of interest rate swap operations, which became common as falling interest rates encouraged companies to exchange their fixed-rate borrowings for floating-rate debt.

view, this series of operations boils down to the equivalent of a normal, commercial loan. Its profit is the constant margin between its borrowing and lending rates and does not depend on the fluctuations of interest rates.

Loan facility for Norwegian oil group

By Karen Fossell in Oslo

THE NORWEGIAN OIL Consortium signed in Oslo yesterday a \$130m project loan facility with a group of 10 international banks jointly led by Christiania, Norway's second largest bank, and J.P. Morgan.

The loan is for a five-year term and bears a basic interest margin of 3/4 per cent and commitment fees of 3/4 per cent on that part of the loan which is deemed available.

Ohio, Kentucky banks merge

BY OUR FINANCIAL STAFF

NATIONAL CITY, the Ohio-based bank holding company, is to acquire First Kentucky National, the Louisville-based banking group whose main subsidiary is Kentucky's second biggest bank, for stock worth about \$660m.

Under the agreement, each share of First Kentucky National common stock would be exchanged for 0.8925 of a share of National City Corp common stock.

Following the merger, the combined companies will operate in the three neighbouring states of Ohio, Kentucky and Indiana.

Rich in Sun work station deal

BY ALAN CANE

RICH OF Chicago, a leading supplier of dealing-room systems owned by Reuters of the UK, has concluded an agreement giving it access to the most powerful desk-top computing technology available.

in combination with the Sun work station, the system will make possible the display and analysis of market price data as it is fed into the system from quote vendors.

Mr Michael Schiffman, senior vice president, marketing, at Rich said: "Sun offers Rich clients a powerful desktop computer for analysing market information. Sun work stations provide a technology platform for delivering advanced decision support applications including artificial intelligence."

MoF may alter terms of next NTT offer

By Ian Rodger in Tokyo

THE JAPANESE Ministry of Finance (MoF) is considering, among other measures, reducing the number of shares in the next public offering of equity in Nippon Telegraph and Telephone (NTT), the Japanese telecommunications giant.

Two tranches of 1.95m NTT shares were issued last year, the second offering at a breathtaking ¥2.5bn (\$28.190) per share in November which valued the total company at ¥39.8bn (\$313bn).

MoF officials fear that further issues of NTT shares - another 1.95m tranches is planned for later this year - will have a depressing effect on the price. They emphasised, however, that the main purpose of the issues was to transfer the shares to the private sector, not to raise funds.

Officials said another way of easing the sale would be to offer more shares to institutional investors. Last November, the MoF listed brokers to sell less than 20 per cent of the shares to institutions, preferring that the bulk of the shares went to individuals.

Further Eurodollar deals meet respectable demand

BY CLARE PEARSON

THREE MORE Eurodollar straight bond deals were brought to the market yesterday, bringing total issuance this week to \$1.2bn, as US Treasury bonds continued to rally in the wake of Wednesday's encouraging US gross national product figures.

INTERNATIONAL BONDS

Yesterday's bonds were all for borrowers in the financial sector and no were expected to have less appeal than earlier issues for sovereigns and Scandinavian state-backed borrowers.

At this level it provided an initial yield spread of 100 basis points over US Treasury bonds, attractive enough for the bond to trade at less 1.80 bid, just inside 1 1/2 per cent fees. It was led by Chase Investment Bank.

Eurosterling issue for BNP

BANQUE NATIONALE de Paris borrowed £75m in the Eurosterling market yesterday as UK government bonds were hooped by the US Treasury market's strength.

Domestic D-Mark bonds meanwhile were also enticed by the US Treasury bond market's rally. Prices rose by up to 60 basis points, in similarity active turnover.

BNP's 9 1/2 per cent five-year issue, led jointly by Kleinwort Benson and BNP Capital Markets, was priced at 101 1/4 to give an initial 4 1/2 basis point spread over the comparable D-Mark.

Swiss franc foreign bonds continued firm, with price gains mixed. A Sfr150m 4 1/2 per cent 10-year bond for the Province of Saskatchewan closed its second day's trading at 100 1/4.

There is also the possibility of allowing foreign investors to hold the shares. However, this would require a change in NTT's charter by legislation in parliament. An official at the Ministry of Posts and Telecommunications said yesterday there was no plan to change the law at this point.

Swiss franc foreign bonds continued firm, with price gains mixed. A Sfr150m 4 1/2 per cent 10-year bond for the Province of Saskatchewan closed its second day's trading at 100 1/4.

to its fees. It bore an 8 1/2 per cent coupon and 101 1/4 pricing to give a yield spread of 88 basis points over the comparable US Treasury.

FT INTERNATIONAL BOND SERVICE

Table with multiple columns: Bond Name, Amount, Bid, Offer, Yield, etc. Includes sections for US BONDS, EUROPEAN BONDS, and CONVERTIBLES.

ASDA-MFI GROUP PLC £100,000,000 9 1/2 per cent Bonds due 2002

NOTICE OF MEETING of the holders of the above mentioned bonds

NOTICE IS HEREBY GIVEN that a Meeting of the holders (the "Bondholders") of the £100,000,000 9 1/2 per cent Bonds due 2002 (the "Bonds") of ASDA-MFI GROUP PLC (the "Company") will be held at Morgan Grenfell & Co. Limited, 20 Finsbury Circus, London EC2M 2AX on Thursday, 25th February, 1988 at 11 a.m. for the purpose of considering and, if thought fit, passing the following Resolution, which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed (the "Trust Deed") dated 15th May, 1986 made between the Company and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Bonds:

EXTRAORDINARY RESOLUTION THAT this Meeting of the holders of the outstanding £100,000,000 9 1/2 per cent Bonds due 2002 (the "Bonds") of ASDA-MFI GROUP PLC (the "Company") constituted by a Trust Deed dated 15th May, 1986 made between the Company and The Law Debenture Trust Corporation p.l.c. (the "Trust Deed") as trustee for the holders of the Bonds (the "Bondholders") hereby:

- (1) sanctions the Proposal (as described in the Notice convening this meeting (a copy whereof has been produced to this Meeting and for the purpose of identification signed by the Chairman hereof)) and the implementation thereof;
- (2) sanctions any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders and the holders of the interest coupons pertaining to the Bonds (the "Coupons") against the Company (whether such rights shall arise under the Trust Deed, the Bonds, the Coupons or otherwise) involved in the implementation of the Proposal and this Resolution; and
- (3) authorises and requests the Trustee to concur in the implementation of the Proposal and this Resolution and to execute a Supplemental Trust Deed to give effect thereto in the form of the draft produced to the Meeting and signed for the purpose of identification by the Chairman hereof.

The attention of Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting, which is set out in paragraph 2 of "Voting and Quorum" below.

Copies of the Trust Deed (including the Terms and Conditions of the Bonds) and the Supplemental Trust Deed referred to in the Extraordinary Resolution set out above will be available for inspection by Bondholders at the specified offices of the Paying Agents set out below.

In accordance with normal practice the Trustee expresses no opinion on the merits of the Proposal but has authorised it to be stated that it has no objection to the Extraordinary Resolution being submitted to the Bondholders for their consideration.

THE PROPOSAL It is proposed that the due date for payment of interest on the Bonds should be brought forward from 15th May to 25th April in each year and that the final maturity date of the Bonds should become 25th April, 2002. If the Extraordinary Resolution is passed the Company will nevertheless pay in respect of the coupon next payable the amount which would have been due thereon had the relevant interest payment date remained unaltered, with the result that Bondholders will receive an additional 20 days' interest.

VOTING AND QUORUM The company said it had planned to use the Uniroyal acquisition as a foundation to build a multi-national company through the acquisition of other specialist chemical companies.

But a number of problems, including a weakening dollar and continually rising prices/earnings multiples of companies in the specialist chemical industry, had hampered Avery's search for acquisitions at acceptable prices.

Avery's chief shareholder in Triplex Industries, the acquisitive US packaging group which was seen by analysts as wishing to use Avery and Uniroyal Chemical as off-balance sheet vehicles for expansion into chemicals.

Mr Peltz said the specialist chemical industry is dominated by large multinational companies and that he expects the unit can be sold at a profit. Its sales for the 12 months ended September 30 were \$277m.

Uniroyal Chemical up for sale

By Our Financial Staff

EVERY THE former US coal company which bought Uniroyal Chemical in October 1986 for \$710m, is to sell the unit because of its inability to turn it into a significant force in the world speciality chemical industry.

The company said it had planned to use the Uniroyal acquisition as a foundation to build a multi-national company through the acquisition of other specialist chemical companies.

But a number of problems, including a weakening dollar and continually rising prices/earnings multiples of companies in the specialist chemical industry, had hampered Avery's search for acquisitions at acceptable prices.

Avery's chief shareholder in Triplex Industries, the acquisitive US packaging group which was seen by analysts as wishing to use Avery and Uniroyal Chemical as off-balance sheet vehicles for expansion into chemicals.

UK COMPANY NEWS

Ivory & Sime reconstruction package

BY NIKKI TAYLOR

Ivory & Sime - the Scottish management company which runs Britain's third largest investment trust stable - yesterday unveiled an innovative reconstruction scheme involving three separate investment trusts, together covering £300m-worth of assets.

The reconstruction package will give private investors their first opportunity to put money into a fund where the yield and capital return move directly in line with the FT-A All-Share.

The three trusts involved are Atlantic Assets Trust, with net assets of about £134m; Edinburgh American Assets Trust, worth some £100m; and Japan Assets Trust, at £72m.

Under the scheme, shareholders in all three trusts will be offered a three-way option.

First, they can switch into a new investment trust, to be called Selective Assets Trust. The fund will have a two-tier structure, comprising ordinary shares (speaking for 60 per cent of the assets at the outset) and "index" loan stock (40 per cent). The index stock will have a 25-year life and its redemption value in the year 2013 will reflect precisely the rise in the FT-A All-Share Index over that period. In the meantime, the interest on the index stock will be calculated by direct reference to the gross yield on the All-Share.

The ordinary shares, meanwhile, will enjoy any outperformance which the managers achieve over the All-Share; their underlying asset value will be the asset value of the new trust minus the appropriate provision for capital entitlement due to the index stockholders.

Secondly, shareholders can switch into a new open-ended umbrella fund offering a range of investment options - in total, 15 sub-funds. The company, to be called Ivory & Sime Atlas Fund, will be incorporated in Luxembourg and listed on both the London and Luxembourg stock exchanges. Because the fund is open-ended, the

shares will trade at net asset value. Those shareholders in Atlantic, Edinburgh American, and Japan Assets who wish to cash in their holdings at close to net asset value will, therefore be able to do so by taking up this option.

Thirdly, Atlantic shareholders can switch to shares in the Independent Investment Company, a venture capital/technology-oriented trust, managed by Hambrecht & Quist, Ivory & Sime. Edinburgh American shareholders can take shares in GBC Capital, a Montreal-based closed end investment company. Japan Assets investors have the

option of switching to Nippon Assets Investments, a Luxembourg-based closed end company. In addition, this option will require shareholders to take some Atlas shares - in respect of at least 10 per cent of the package.

Shareholders will be able to combine their elections subject to certain minimum "package" sizes being achieved.

The Ivory & Sime scheme is a variant in a string of investment trust reconstructions recently, and is beaten in size only by the Scottish National reorganisation last autumn.

See L5

Caledonia acquires 25% of ESI

By Clay Harris

Caledonia Investments, the investment group controlled by the Cayzer family, has bought a 25 per cent stake in English & Scottish Investors and emphasised its support for moves to retain the company's status as an investment trust.

Caledonia, until last year the dominant minority shareholder in British & Commonwealth Holdings, bought 25.4 per cent of E&S's ordinary shares from the Water Authorities Superannuation Fund. This will give Caledonia 24.8 per cent of the voting rights.

The price of the transaction was not disclosed, but was close to market price. Compared with net asset value of 120p, E&S ordinary shares yesterday lost 5p to 101p and the B shares 4p to 102p. E&S has a market value of about £81.5m.

Atlantic Resources

Atlantic Resources has acquired AB Exploration, a wholly-owned subsidiary of Associated British Foods, for £3.5m in cash.

Flavell makes £4.8m bid for Waverley Cameron

By Clay Harris

THE BATTLE for Waverley Cameron took a dramatic new turn last night when Mr Kevin Doyle's Flavell Communications launched a 500p cash bid which values the Scottish stationery manufacturer at £4.8m.

The bid, announced after Waverley Cameron shares had closed unchanged at 443p, will intensify the fight between Flavell and Sands Investments, the company controlled by Mr James Gulliver, Argyll Group chairman, to which the Waverley Cameron board proposes to issue a controlling stake at 120p a share, a plan opposed by Mr Doyle.

Earlier yesterday, Flavell raised its stake to 25.6 per cent. The Waverley Cameron board is to meet today.

Mr Doyle said last night that

he wanted to build up Waverley Cameron with complementary acquisitions. None of his private interests would be reversed into the listed company.

Under the plan, which depends on Waverley Cameron shareholders rejecting the Sands plan on February 17, Mr Doyle would become managing director, with his long-time colleague Mr Alister Cunningham as the other executive director.

Sir Monty Finniston, former chairman of British Steel, would be non-executive chairman.

Flavell is advised by British Lissen Bank, Waverley Cameron by Bell Lawrie, and Sands by Mr Gulliver's co-investor, Noble Grossart.

Share Drug Stores talks with potential bidders

By Maggie Urry

Share Drug Stores, the 145-strong chain of drug stores in the USM, said yesterday that discussions were in progress which could lead to an offer for the company. The shares rose 85p to 290p on the announcement, valuing the company at £30.5m. On the earnings reported for the year to end August 1987 the p/a ratio is 20.4.

Mr Paul Brearley, finance director, would not disclose the potential bidders yesterday but said that more than one party was involved and the talks were still at an early stage. He said that discussions might take a few weeks to complete.

Any offer would have to gain the acceptance of Mr Alan Prince, chairman and managing director, and Mrs Sylvia Prince,

a non-executive director, who founded the business and together hold 66.3 per cent of the shares.

Although the company is pleased with current trading and Share Drug has sufficient resources to expand, Mr Brearley said that there could be greater opportunities to grow as part of another company.

The move follows the agreed offer from Woolworth Holdings for Tip Top Drugstores last week. The 110p a share offer valued Tip Top, which has 110 shops, at £18m. Share Drug's statement was seen yesterday by analysts as another example of the turmoil within the drug store sector.

These stores, selling a range of over-the-counter medicines, toiletries, beauty aids and household items usually at discounted prices, have been expanding rapidly in recent years. Share Drug's arrival on the USM in October 1984, through a placing at 140p, allowed Superdrug's flotation in 1983.

Woolworth and other possible buyers would not comment yesterday on whether they were talking to Share Drug.

Wintrust lifts profits by 14%

Wintrust, which is principally involved in merchant banking, announced a 14 per cent rise in pre-tax profits to £2.08m for the six months ended September 30 1987.

Earnings moved ahead by 18 per cent to 15.57p per 20p

share, and the interim dividend is lifted to 2.25p (2p).

Mr Richard D. Szpiro, managing director, said the group's strength had not been undermined by the lack of confidence in financial markets since the October crash.

Telfos stake

Industrial Securities, the Australian investment company, has sold its 29.9 per cent stake in Telfos, the engineering group. The shares have been placed with clients of Fiske & Co and Douglas le Mare. On news of yesterday's sale, the shares fell 3p to 119p.

Britoil bolsters BP defence with £404m profits forecast

BY STEVEN BUTLER

Britoil, the independent oil company, yesterday bolstered its defence against an unwelcome takeover bid from BP by issuing a 1987 pre-tax profit forecast at £404m, up from £134m in 1986. A full dividend for the year was forecast at 12p per share.

Mr David Walker, chief executive, said discussions were proceeding with one other company that could be in a position to launch a counterbid for the group. The improved BP bid, at 500p per share, still undervalued the company, he said.

BP holds nearly 80 per cent of Britoil shares, and is set to acquire 24 per cent from Atlantic Richfield. The US group says it intends to accept the BP offer, although it has indicated that it would accept a higher offer if one materialised.

The Britoil management expressed considerable frustration at the Treasury's refusal to be more specific about how it would use its special share in the company should BP acquire a majority, as seems likely.

Mr Walker said: "We are disappointed (at the Treasury's stance) because it is important in advising our shareholders to know how the Government will act."

The Government technically assumed control over Britoil at the launch of the bid, and has not said concretely how it would use the share to preserve Britoil's independence, which it has vowed to do. The Treasury

says only that it will discuss its position in the event that a majority holding in Britoil is actually acquired, or is certain to be acquired.

Mr Larry Tindale, acting group chairman, said: "We get the worst of possible worlds out of the golden share now."

Britoil believes the existence of the special share had depressed its share price prior to the BP bid and was discouraging possible rival bids for the company that would give shareholders more value.

"There appears to be only one company that is voluntarily willing to take on the British Government," said Mr Walker. "Britoil appeared to be hoping that the Government would issue assurances that BP would not be allowed to influence the Britoil board should it fail to gain control of 100 per cent of the company's shares. One company official suggested that even a cancellation of the special share might help shareholders, since it would encourage rival bids."

A valuation of Britoil prepared by Robertson ERS, the independent consultant, which valued the shares at 680p each was defended by Mr Walker. The valuation had been criticised for over-optimistic assumptions on oil prices and the starting exchange rate.

Mr Walker said the figures used were conservative compared to those used by oil experts and bankers.

Thomas Jourdan acquisition

Thomas Jourdan, diverse manufacturing and marketing company, yesterday announced the proposed £5.78m acquisition of Uereman Holdings, a manufacturer of houndies, and a series of transactions to eliminate its cross-holdings with Mary Quant Holdings, fashion products design group.

Jourdan also revealed that trading results for 1987 had been adversely affected by non-recurring component supply problems at its Suncrest Surrounds subsidiary. Pros-

pects for 1988 were said to be good.

Jourdan is buying Uereman from Macpherson through the issue of 2.99m shares and will provide £1.66m and issue a further £24,000 shares to repay an inter-company debt. It will also buy Uereman's main premises for £1.3m cash. Macpherson will be left with about 21 per cent of Jourdan's shares.

Agreement has also been reached for the sale of Mary Quant Limited to the eponymous fashion designer, and Mr Ian Lyle, its managing director.

GALLAHER

1987 pre-tax profits up 44%

Record sales and record profits were again achieved in 1987. The very good profit performance was due to excellent results from the tobacco sector and sound growth from optics, distribution and office products. Total non-tobacco activities were, however, reduced

by disposals in engineering and housewares. Trading profits at £181.4 million were up 18%; profits before tax rose by over 44% to £169.7 million as a result of lower interest costs and the absence of factory closure provisions which affected 1986.

Summary of Results for year ended 31st December 1987 (unaudited)		
	1987 £ million	1986 £ million
Group Turnover	3,886.7	3,404.7 +14%
Group Trading Profit	181.4	153.3 +18%
Interest Charges	(11.7)	(14.0) -16%
Group Profit before Taxation	169.7	117.4 +44%

Tobacco
Trading profits increased 29%

Although the consumption of cigarettes in the UK continued to decline, excellent market share growth produced a strong volume gain for Gallaher. Sales of cheap, marginally costed imports were stemmed by the absence of a duty increase.

Cigar sales volume, led by Hamlet, was up and pipe tobaccos achieved a higher share of a rather depressed market.

Overseas tobacco companies had mixed fortunes with Gallaher Dublin well ahead, but Rimeester affected by lower demand for Dutch cigars and Niemeier being held back by price cutting in West Germany.

Optics
Trading profits increased 24%

In the face of increasing and aggressive competition in the UK, Dolland & Aitchison considerably strengthened its position as the most successful retail Optical Group. The new "Eyeland House" Optical Department Stores continued their development, and the expanded Optical Instrument Division showed good growth.

Overseas, record results were achieved in both Italy and Spain and good progress was made in Switzerland and Ireland.

Since the end of D & A's financial year, three optical groups have been acquired, which complement the existing operations.

Distribution
Trading profits increased 17%

Record results were achieved by T.M. Group whose drinks vending side has developed particularly successfully. Forbuys, a leading newsagent and tobacconist group, had the benefits of a full year contribution from N.S.S., acquired during 1986. Together they are the second largest chain of its kind and profits were well ahead.

Office Products
Trading profits increased 32%

Otex Group had a record year with all the UK manufacturing operations contributing. Results from Marbig in Australia, acquired during the year, were well ahead of expectations.

Housewares

Comparisons with 1986 are distorted by the disposal of the profitable South African and Swedish companies. Adverse exchange rates and UK production problems also affected results. Following top management changes a recovery in profits is in prospect.

Engineering

Comparisons are again distorted by disposals. Saunders Valve, FIP and two specialist pump companies were sold during the year. Results from the remaining companies in the Mono Pumps Group were satisfactory.

Outlook for 1988

During 1987, the Group took steps to concentrate its portfolio of operations by strengthening its core divisions and disposing of peripheral activities. It enters the new year confident that results will continue their strong upward momentum.

S. G. CAMERON, CHAIRMAN

Gallaher Limited, Members Hill, Brooklands Road, Weybridge, Surrey KT13 0QU
Tel: 0932 859777. Telex: 25505.

U.S.\$35,000,000 SERIES 24

TELEFONOS DE MEXICO, S.A.

(Organized under the laws of the United Mexican States)

Six Month Notes Issued in Series

under a

U.S.\$75,000,000

Note Purchase Facility

Notice is hereby given that the above Series of Notes issued under a Note Purchase Facility Agreement dated 5th May, 1982, carry an Interest Rate of 7 1/8% per annum. The Maturity Date of the above Series of Notes will be 29th July, 1988.

29th January, 1988

Samuel Montagu & Co. Limited

Issue Agent

NORTHERN ROCK BUILDING SOCIETY

£50,000,000

Revolving Standby Facility

Arranged by
Crédit Lyonnais

Lenders

The Mitsui Bank, Limited
CL-Alexanders Discount p.l.c.
CIC-Union Européenne, International Et Cie
Crédit Lyonnais
The Fuji Bank, Ltd
The Mitsubishi Bank, Ltd
The Sumitomo Bank, Ltd
The Taiyo Kobe Bank, Limited
Union Discount Company Ltd
Banque Internationale à Luxembourg S.A.

Agent
Crédit Lyonnais

This announcement appears as a matter of record only

29th January 1988.

كلدا من الاصل

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re TEXACO INC., TEXACO CAPITAL INC., TEXACO CAPITAL N.V., Debtors.

NOTICE OF BAR DATE FOR THE FILING OF PROOFS OF CLAIM

TO ALL CREDITORS, INDENTURE TRUSTEES, FISCAL AGENTS AND PARTIES IN INTEREST:

NOTICE IS HEREBY GIVEN that Pursuant to an Order of the Court (the "Bar Order")... March 15, 1988 is fixed as the last day (the "Bar Date") by which certain creditors of the above-named Debtors...

Dated: White Plains, New York January 26, 1988

UK COMPANY NEWS

Better margins give Dale a boost

BY MICHAEL SMITH

Dale Electric, the generator set manufacturer which last year fended off a hostile takeover bid from Sunleigh Electronics...

The company attributed the improvement to several factors including a reduction in working capital, improved trading, a recovery in Mexico and reduced borrowings.

For the half year to November 1, Dale made pre-tax profits of £861,000 (£479,000) on turnover of £19.5m (£19.7m). Earnings per share were 4.32p (2.93p) and the interim dividend is lifted to 1.75p (1.6p).

Mr Iain Dale, chief executive, said the same sort of growth was not expected in the second half because a large Middle East order had been delayed by two months.

The improved margins - up from 2.4 per cent to 4.4 per cent - reflect the company's decision to be more selective about the orders it takes.

Margins were also helped by cutting £760,000 from the working capital, previously at £8m. Mr Coole said reductions would also be achieved in the second half.

Borrowings were further reduced by proceeds from divestments and interest fell from £674,000 to £600,000. Gearing is about 50 per cent.

An extraordinary charge of £116,000 was the cost of defending against the Sunleigh bid minus a surplus on the sale of a subsidiary.

comment Dale yesterday justified the market's support for it against Sunleigh and the company promised more.

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Borrowings were further reduced by proceeds from divestments and interest fell from £674,000 to £600,000.

An extraordinary charge of £116,000 was the cost of defending against the Sunleigh bid minus a surplus on the sale of a subsidiary.



Iain Dale - year would be "demonstrably" higher.

Tobacco boosts Gallaher to £170m

A SHARPLY higher contribution from its tobacco interests enabled Gallaher to report its profits from £117.4m to a record £169.7m pre-tax for the 1987 year.

The overall result also benefited from the absence of exceptional provisions, which adversely affected profits of the previous year, and sound growth from optics, distribution (which took in a full year's take from NBS Newsagents, acquired in the second half of 1986), and office products.

The results of Gallaher's other activities were distorted by disposals. Group turnover for 1987 rose by \$482m to \$3,877m, excluding VAT, and at the trading level profits showed an improvement of \$28.1m to \$181.4m.

A divisional breakdown of the trading figures shows tobacco \$188.5m (£107.9m), optics \$15.7m (£11m), distribution \$14.6m (£12.5m), office products \$7.8m (£5.9m), housewares \$1.7m (£1.4m) and engineering \$4m (£3.0m).

Explaining the advance by the tobacco side the directors said that although consumption of cigarettes in the UK continued to decline, excellent market share growth produced a strong volume gain for Gallaher.

Gallaher is ultimately owned by American Brands of the US.

Associated Fisheries 38% higher

For the year to end-September 1987 Associated Fisheries raised pre-tax profits by 38 per cent to £5.6m. Turnover grew by £6.3m to £103.53m.

An increased final dividend of 4p (3.5p) raises the total by 25 per cent to 5p.

A tax credit of £1.41m (£990,000 debit), included £3m released from the deferred provision. Earnings per share were 40.42p (17.65p). There was an extraordinary credit of £961,000 (£68,000).

Globe Inv. profits advance

Globe Investment Trust expects to be quoted on the Tokyo Stock Exchange in early February and has plans to issue a convertible debt security especially designed for the Japanese market.

In the nine months to the end of December, Globe, Britain's biggest investment trust, increased attributable profits by 11.6 per cent from £16.1m to £17.96m.

Earnings per share (fully diluted) rose from 3.07p to 3.4p and to 3.42p (3.09p) basic. Net asset value (fully diluted) stood at 151.7p on December 31, a decrease of 15.8 per cent from 192.02p at the end of the financial year on March 31 last, and was 164.18p against 196.64p basic.

Mr Hardy said the expected quotation on the Tokyo Stock Exchange came after detailed submission to the exchange and the Japanese Ministry of Finance.

Prior to the issue of the convertible debt security, Globe hoped to attract many more shareholders and accordingly further reduce the discount of the price of its shares against the asset value.

Over the nine-month period group income increased to £34.38m (£23.3m) and pre-tax revenue to £28.49m (£23.19m). Net revenue amounted to £18m (£16.16m).

Haynes Publishing well ahead at six months

Haynes Publishing Group doubled pre-tax profits from £732,000 to £1.45m for the six months to end-November 1987, and the group expects to keep up product and market share growth in the second half.

Turnover for the group, whose main business is car and motor cycle manual publishing, rose from £5.91m to £6.83m and earnings per 20p share increased 94 per cent to 13.24p after tax of £538,000 (£261,000). As forecast, the interim dividend goes up 40 per cent to 7p.

The fall in the previous interim period to £732,000 pre-tax was due to the writing off of investment costs. A recovery in the second half resulted in year-end pre-tax profits of £1,450,000 (£1,560,000) and earnings of 23p (18p).

Reviewing the latest results, Mr John Haynes, chairman,

said that following the price rise in its main UK product group, and leading on from the introduction of a total of 88 new titles (including second editions) the group's margins had been restored to the previous level. UK profitability was back to 20 per cent at £991,000 (£600,000) and investment was continuing in the most technologically advanced printing equipment available.

The US profits had surged to \$60,000 even though this result was to some extent diminished when converted into sterling at \$393,000 (£90,000) because of the weakening dollar.

North American trading continued to improve and the benefits were expected to be sustained throughout the rest of the year. In the UK, plans for more warehousing and production facilities were well advanced.

Border TV up sharply

Border Television, USM-listed television programme contractor, reported strong growth with a 60 per cent increase in pre-tax profits for the half-year to October 31 1987. They rose from £252,000 to £404,000 on turnover up from £5.06m to £5.77m. The directors said that programme development had forged ahead, advertising revenue advanced, and advertising sales contributed £1.13m to turnover.

Earnings per share dropped from an adjusted 3.1p to 2.56p while the interim dividend increased to 0.66p (0.6p).

The directors warned that advertising market share continued to be under threat from Southern-based contractors, but that an increase of 8.5 per cent in advertising revenues over the first half of 1987 indicated advertising commitment to the Border area.

Park Food expects rise

For the current year the Park Food Group, supplier of Christmas hampers, is forecasting an increase in profit over the £2.62m achieved in the year ended March 31 1987.

Looking beyond that, fuller benefits should come from the costly rationalisation and development work carried out, said Mr Peter Sherlock, the chairman.

In the six months ended September 30 1987 the group incurred its traditional loss, but reduced it from £2.26m to £2.09m as turnover moved ahead to £15.75m (£9.73m). The interim dividend is 1.7p (1.5p).

Mr Sherlock said rationalisation and development work had produced more efficient businesses and potential for sales.

BTS static in first half

Profits were little changed at the BTS Group, USM-quoted vehicle parts maker, in the six months to end-September 1987. The taxable result edged ahead from £106,000 to £107,000 on turnover up 21 per cent from £4.12m to £4.99m.

After an unchanged tax charge of £5,000, earnings per share rose 0.02p to 1.26p. The interim dividend is maintained at 1.3p.

Mr A.E.C. Stote, chairman, said that as in previous years, a greater proportion of profits would fall in the second half. It was still too early to predict the outcome of the year.

After adjusting for sales attributable to the truck operation discontinued in March, sales for the half-year showed a 43 per cent rise.

BOARD MEETINGS

Table listing board meetings for various companies including J.H. Jervis, Shand Group, William Somerville, etc.

We didn't become the biggest by thinking small.

Globe Investment Trust has long held the belief that if you take a position, it should be a big one. Taking a listing, in February, on the Tokyo Stock Exchange is just such a move.

world's top listed and unlisted companies through their investment. We hope to achieve the same success in Japan. Judging by the high performance of our Quoted Far Eastern Portfolio, it's a market we already know very well.



ATTRIBUTABLE PROFITS FOR THE NINE MONTHS TO 31 DECEMBER 1987 £18 MILLION NET ASSETS AT 31 DECEMBER 1987 \$62.4 MILLION

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MITSUI FINANCE ASIA LIMITED

(Incorporated in the Cayman Islands) US\$150,000,000 Guaranteed Floating-Rate Notes 1997

In accordance with the provisions of the Notes, notice is hereby given that for the three month period, 28th January, 1988 to but excluding 28th April, 1988 the Notes will carry an Interest Rate of 7 7/8% per annum. Coupon will be US\$186.42 on the Notes of US\$10,000.

Mitsui Finance Trust International Limited Agent Bank.

UK COMPANY NEWS

Emess in £30m US lamps deal

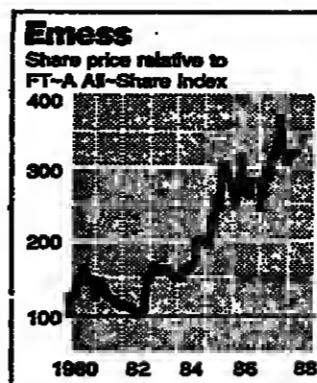
BY CLAY HARRIS

Emess, the lighting and electrical accessories group, is to pay up to \$54m (£30.3m) for Alay, a US manufacturer of table and standing lamps.

at least £7.6m, a 76 per cent increase, and earnings per share of at least 26p, a 49 per cent advance. It also forecast a final dividend of 5.5p (6p) for a total of 8p (8.5p). Emess shares yesterday added 9p to close at 400p.

Impact was worsened because the buy-out coincided with a flood of imports into the US - resulting in pressure on prices - as the dollar hit its peak. In 1986, operating profits of \$4.4m were less than half the 1985 figure, and turnover was 3 per cent lower at \$60.8m.

operating profit of at least \$6.5m on estimated sales of \$61.7m. Emess expects the acquisition to enhance fully diluted earnings per share by 1.5p this year.



Emess Share price relative to FT-AI-Share Index

Date set for health group float

By Philip Coggan

AMI Healthcare Group, the UK subsidiary of US private health group American Medical International, is likely to be capitalised at a figure close to £200m when it is floated on the stock market in February.

Ace Belmont International plc

SUMMARY OF RESULTS FOR THE YEAR ENDED 31st AUGUST 1987

Table with 3 columns: Item, 1987 (£000's), 1986 (£000's). Rows include Turnover, Profit before taxation, Taxation, Profit before taxation, Extraordinary items, Preference dividend, Profit retained.

SUMMARY FROM THE REVIEW OF THE CHAIRMAN, MARTIN SHAW, LL.B.

- Pre-tax profits more than doubled. Turnover exceeded £50 million for the first time. Earnings per share 80.90p (1986 29.51p). Market share in caravan manufacture increased. Strong foundations laid for future growth.

London Investment raising £21.5m for expansion

BY ALEXANDER NICOLL

London Investment Trust, a futures and options brokerage group, yesterday announced a one-for-one rights issue raising £21.5m to fund expansion as well as the costs of complying with Britain's new regulatory requirements.

As a result of the market crash, LIT suffered net trading losses of £1.76m in October 1987. The first month of its second half - but says trading performance in November and December was encouraging and the full-year outcome should be satisfactory.

£241m. Profits are after charging £200,000 for costs of a Eurobond fraud case involving former employees which was settled out of court, and after the £150,000 impact of the weaker dollar. They are before a £391,000 extraordinary charge from redundancy and reorganisation costs.

lot to do with the events of October. As a broker and clearer, it does not take principal positions. Nevertheless, futures are a risky business, however carefully managed.

party risk. LIT, which plans to integrate the two main subsidiaries more closely caters for many small investors but plans to put greater emphasis on institutions. They themselves need to deal with strong brokers, and also demand credit facilities from them.

Fitch Lovell gets ready for further development

CONTINUED progress was shown by Fitch Lovell in the year ended October 25 1987. The food manufacturer and distributor, lifted sales by 21 per cent to £265.24m and pre-tax profit by 19 per cent, from £10.41m to £12.4m.

manufacturing side was flat with profits at £7.02m (£7.2m). A major decline in the return from cooked meats and beef operations depressed the result, which in other respects was satisfactory.

At first sight, these results seem just a continuation of the recent trend in Fitch Lovell's profits - a decline in the red meat business and a move into "healthier" products like white meat and fish. However, the underlying picture is rather more complex - some red meats did quite well but the company was hit by a rise in pork and beef prices which it was unable to pass on to the retailers.

Disposal boosts J Webb midway

Interim pre-tax profits at Joseph Webb were boosted mainly by a large contribution from the disposal of its Hopton-on-Sea holiday village in Norfolk amounting to £636,000.

were disappointing, due partly to another poor summer. Caravan sales had a slower build-up than expected but trends in the holiday industry were being watched.

NOTICE OF REDEMPTION To the Holders of General Electric Credit International N.V.

11% Guaranteed Notes Due 1991 (guaranteed by General Electric Capital Corporation) The foregoing Corporations are affiliates of General Electric Company U.S.A. (General Electric Capital Corporation was formerly known as General Electric Credit Corporation)

Large advertisement for BET (The International Service Company) with background image of a globe and text: 'IT'S INTERNATIONAL... IT'S SUCCESSFUL... IT'S HERE... BET THE INTERNATIONAL SERVICE COMPANY'

COMMODITIES AND AGRICULTURE

UK pig farmers demand fair deal

BY BRIDGET BLOOM, AGRICULTURE CORRESPONDENT

SEVERAL HUNDRED UK pig farmers yesterday gave vociferous backing to a demand by Mr Simon Gourlay, President of the National Farmers' Union...

It claims that the principal culprit for this state of affairs is the European Community's complex system of border taxes...

subsidies to make it easier for EC producers to sell in North America; and aid for private storage to enable surplus pigmeat to be taken temporarily off EC markets...

Britain's favour. The most that can probably be hoped for at the moment, according to officials, is that the Brussels committee on pigmeat...

Kuwait and Japan close to oil deal

By Richard Johns

KUWAIT IS understood to be close to agreement with Japan on crude oil contracts for the three-month February to April period...

New York exchange plans to launch diamond futures

BY DEBORAH HARGREAVES IN CHICAGO

NEW YORK'S Commodity Exchange (Comex) is planning the launch of a diamond futures contract in spite of opposition from the diamond trade...

cannot be lumped into one purchase in this way. The proposed futures contract specifies delivery of 10 round, brilliant-cut stones of certain colour and clarity...

modities, dismisses claims from the rest of the trade that futures would make diamond prices too volatile by encouraging speculation...

Report warns investors of pitfalls

BY KENNETH GOODING, MINING CORRESPONDENT

SOME OF the pitfalls of investment in diamonds are outlined in a new Economist Publications report...

Dealing with wide issues, the report suggests that, following rises of over 30 per cent in the price of polished diamonds in 1986 and nearly 20 per cent last year...

increases of about 10 per cent are expected this year with a period of consolidation before further advances...

Bismuth price rises sharply

By Kenneth Gooding, Mining Correspondent

BISMUTH'S free market price yesterday reached the highest level since May 1985 and has jumped by 85 cents to 10 so far this week to \$2.10...

Rubber supplies remain short

BY WONG SULONG IN KUALA LUMPUR

THE BUFFER stock manager of the International Natural Rubber Organisation has sold an estimated 120,000 tonnes from his 370,000 tonnes stockpile since last September...

Korea, Taiwan and India. "Natural rubber stocks (in December) were almost depleted as production rises were insufficient to meet the demand," it said...

the past year, with intense tapping and the use of chemical stimulants in the Southeast Asian countries. The review said the price of RSS No 1 rubber, the hedging grade on the exchange, rose to an average of 248.6 cents a kg entered into a joint venture with B.F. Goodrich of the US to produce aviation tyres for the Asia-Pacific market...

Row looms over Norwegian development

By Karen Fossli in Oslo

A POLITICAL row is expected to erupt over the Norwegian Oil Ministry's decision to approve Saga Petroleum's Nkr30bn North Sea Snorre oil field development...

Manila to launch copra and coffee contracts

BY RICHARD GOURLAY IN MANILA

THE MANILA International Futures Exchange is due to launch copra and coffee contracts on February 1, doubling the number of commodities traded on the 16-month-old market...

involved directly or indirectly in the coconut industry. More than 10 traders actively export copra, whereas the number of refiners is limited and there are only two major coconut oil exporters...

Shell Nigeria in potential 80m barrel find

THE SHELL Petroleum Development Company of Nigeria, the biggest operator in the country, says it has found oil in two exploratory wells with combined estimated recoverable reserves of more than 80 million barrels, reports Reuters.

The Royal Dutch/Shell Group has a 20 per cent share in the company. Nigerian National Petroleum Corp (NNPC) holds the remaining 80 per cent. It says it struck oil in its oil mining lease area on the River Niger delta. The well penetrated 420 ft of oil sands and 31 ft of gas sands in different reservoirs.

Canadian pulp capacity constrained

BY ROBERT GIBBENS IN MONTREAL

CANADIAN Newsprint and market pulp capacity will grow by only about 2 per cent in both 1988 and 1989, or in line with demand forecasts, according to Dr David Wilson, senior economist at the Canadian Pulp and Paper Association...

of excess investment such as took place in the 1960s and 1970s. However, larger amounts of new capacity in all three sectors will be coming on stream in 1990-1992. While some speculative projects, particularly in the west, have dropped out of sight since the October stock market collapse, the industry is expected to invest well over C\$6bn (€2.8bn) over the next five years to increase capacity...

growth slowing to about 2 per cent in real terms this year but no recession is likely. However continuing difficulties with the US trade deficit and the budget deficit suggest the possibility of a slowdown starting in 1989. The US is the industry's single largest customer and its total shipments are influenced strongly by US economic trends...

Newspaper shipments in 1988 should rise about 2 per cent to almost 10m tonnes metric, pulp exports about the same amount to 8.4m tonnes, with strong overseas demand, and the printing and writing papers segment should gain 9 per cent. Shipments of packaging paper and boards should rise about 1 per cent to 8.3m tonnes.

WORLD COMMODITIES PRICES

LONDON MARKETS

Table with columns for Commodity, Price, and Change. Includes sections for COCOA PRICES, COFFEE PRICES, RUBBER PRICES, GAS OIL PRICES, GRAINS PRICES, and RUBBER PRICES.

COCOA PRICES

Table with columns for Month, Price, and High/Low. Includes sub-sections for COCOA 1/2% and COCOA 1/4%.

COFFEE PRICES

Table with columns for Month, Price, and High/Low. Includes sub-sections for COFFEE 1/2% and COFFEE 1/4%.

RUBBER PRICES

Table with columns for Month, Price, and High/Low. Includes sub-sections for RUBBER 1/2% and RUBBER 1/4%.

LONDON METAL EXCHANGE

Table with columns for Metal, Price, and High/Low. Includes sections for ALUMINIUM, COPPER, LEAD, NICKEL, ZINC, and POTASSIUM.

POTASSIUM PRICES

Table with columns for Month, Price, and High/Low. Includes sub-sections for POTASSIUM 1/2% and POTASSIUM 1/4%.

LONDON BULLION MARKET

Table with columns for Metal, Price, and High/Low. Includes sections for GOLD, SILVER, and PLATINUM.

FRUIT AND VEGETABLES

Table with columns for Commodity, Price, and High/Low. Includes sections for FRUIT and VEGETABLES.

US MARKETS

Table with columns for Commodity, Price, and High/Low. Includes sections for SOYBEAN MEAL, SOYBEAN OIL, and WHEAT.

CHICAGO

Table with columns for Commodity, Price, and High/Low. Includes sections for SOYBEAN MEAL, SOYBEAN OIL, and WHEAT.

NEW YORK

Table with columns for Commodity, Price, and High/Low. Includes sections for GOLD, SILVER, and PLATINUM.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar & pound weaker

THE DOLLAR lost ground on speculation the Federal Reserve will encourage lower US interest rates, following the latest GNP data, published Wednesday. Expectations that US growth will slow sharply this quarter, led to fears the situation could develop into a recession, creating a mood of nervousness. As the foreign exchanges focused on the negative aspects of the GNP figures more attention than usual was given to US personal income and consumption figures for December, to see whether there were further signs of decline in demand.

rate index fell 0.1 to 74.4, compared with 72.6 six months ago. Sterling dipped briefly on publication of the UK trade figures for December. The underlying tone remained nervous, but the pound finished the day little changed, rising 30 points to \$1.7825-1.7835, but falling to DM2.97 from DM2.9750; to FF10.0150 from FF10.0250; to SF2.4175 from SF2.4225; and to Y226.75 from Y227.00. A lower trend in London money market rates contributed to the general easing of the pound on the cross rates.

Mr Stephen Hannah, economist at Comptroller NatWest, said the UK visible deficit of \$1.18bn and current account shortfall of \$882m was higher than most estimates and rather disappointing. On the other hand, he suggested that the composition of imports was encouraging, showing capital goods up and consumer products down. Import prices benefited from the strength of the pound, falling 1 p.p. on the year, while exports showed a rise. Mr Hannah said the big surprise was that non oil imports did not fall back as expected.

FINANCIAL FUTURES

Gilts and bonds in demand

GILT FUTURES were in strong demand yesterday. Life long gilts recorded a healthy 46,000 lots traded, as investors shrugged off slightly disappointing UK trade figures. US commission houses were particularly keen buyers, purchasing long gilt futures soon after the opening. One dealer suggested that institutions had sold US bonds to retail clients, and with the life bond market lacking the liquidity, made up portfolios with long gilts instead.

From an opening price of 120-11, the March contract soon broke through resistance at 120-15 up to 120-21. However, further impetus was this level and up to a high of 121-10 left the contract a little over extended and the brief period spent at the day's high was probably a reflection of some hasty short covering. While the mood remained bullish, the price came back to finish at 120-21, up from 119-24 on Wednesday. US bonds were also strong, mainly after Wednesday's less than encouraging US GNP figures. Analysts argued that the strong build up of inventories indicated a sharp down turn in final demand and many dealers reported a whiff of recession permeating the market generally.

Short sterling prices moved ahead as cash rates retreated. Thoughts of a half point increase in base rates continued to recede and despite an underlying note of caution, the strength of longer term rates seemed less and less justified. With gilt prices showing every sign of improving further and sterling under no immediate pressure, so the March price for three-month sterling moved up to a high of 91.18 from an opening of 91.08, before closing at 91.14 compared with 91.01 on Wednesday.

MANCHESTER A CENTRE FOR FINANCIAL SERVICES
The Financial Times proposes to publish this survey on
WEDNESDAY 20th APRIL 1988
For a full editorial synopsis and details of available advertisements positions, please contact
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on 061-834 9381
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Manchester M2 5LF
Telex: 666813
FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
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THE FINANCIAL TIMES PROPOSES TO PUBLISH THE FOLLOWING PROPERTY SURVEYS IN 1988.
29th January Auctions
26th February West End and Victoria property
11th March Property in the North of England
8th April M4 Property
20th May M3/M27 Property
24th June Office Property
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FT 30 FTSE 100 WALL STREET
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Jan. 14/19/1431 +21 Jan. 1771/1763 +26 Mar. 1919/1955 +13
Prices taken at 5pm and change is from previous close at 9pm

\$ WORLD VALUE OF THE DOLLAR
BANK OF AMERICA GLOBAL TRADING ECONOMICS DEPT., LONDON
The table below gives the latest available rate of exchange for the U.S. dollar against various currencies as of Wednesday, January 27 1988. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.
Bank of America Global Trading, London, New York, Tokyo, San Francisco, Los Angeles, Toronto.
24-hour a day trading capability.
EUCU=\$US1.236491 SDRI=\$US1.36901
As of January 27, at 11.00 a.m.

Table with 3 columns: COUNTRY, CURRENCY, VALUE OF DOLLAR. Lists various countries and their exchange rates against the US dollar.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries including Belgium, France, Germany, Italy, Netherlands, Spain, and UK.

2 IN NEW YORK

STERLING-Trading range against the dollar in 1987/88 is 1.8785 to 1.4710. December average 1.8269. Exchange rate 1.7825.

Table showing Sterling Index values for various months and years.

CURRENCY RATES

Table showing Currency Rates for various countries including Australia, Canada, Hong Kong, India, Japan, Korea, Singapore, Taiwan, Thailand, and West Africa.

CURRENCY MOVEMENTS

Table showing Currency Movements for various countries including Australia, Canada, Hong Kong, India, Japan, Korea, Singapore, Taiwan, Thailand, and West Africa.

OTHER CURRENCIES

Table showing Other Currencies including Argentina, Brazil, Chile, Colombia, Ecuador, Greece, Hong Kong, India, Israel, Italy, Japan, Korea, Malaysia, Mexico, New Zealand, Norway, Pakistan, Philippines, Portugal, Saudi Arabia, South Africa, South Korea, Spain, Sri Lanka, Switzerland, Taiwan, Thailand, Turkey, USA, and West Africa.

DOLLAR SPOT - FORWARD AGAINST THE POUND

Table showing Dollar Spot - Forward Against the Pound for various currencies and time periods.

POUND SPOT - FORWARD AGAINST THE DOLLAR

Table showing Pound Spot - Forward Against the Dollar for various currencies and time periods.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates for various currencies and time periods.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing for 3 months US dollars and 6 months US dollars.

NEW YORK

Table showing New York market data including Treasury Bills and Bonds.

LONDON MONEY RATES

Table showing London Money Rates for various currencies and time periods.

MONEY MARKETS

UK rates indicate cautious optimism

INTEREST RATES were a little lower yesterday. Dealers were becoming more accustomed to the idea of base rates staying at 8 1/2 p.p. for the time being and consequently period rates looked a little on the high side. However, longer term rates still included a degree of caution, although this was slowly being eroded. One dealer described the UK clearing bank base lending rate 8 1/2 per cent from December 4.

Three-month interbank money was quoted at 3 1/2-3 3/4 p.p. down from 3 3/4-3 1/2 p.p. while the one year rate slipped to 8 1/2-8 3/4 p.p. Overnight money started at around 9 1/2 p.p. and slipped to one point to 7 p.p. before finishing at 8 p.p. The Bank of England forecast a shortage of around £200m with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills drawing £250m and rise in the note circulation of £75m. In addition banks brought forward balances £50m below target. These were partly offset by Exchange transactions of £220m.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing for 3 months US dollars and 6 months US dollars.

NEW YORK

Table showing New York market data including Treasury Bills and Bonds.

LONDON MONEY RATES

Table showing London Money Rates for various currencies and time periods.

FINANCIAL FUTURES

GILT FUTURES were in strong demand yesterday. Life long gilts recorded a healthy 46,000 lots traded, as investors shrugged off slightly disappointing UK trade figures.

Table showing Gilt Futures and other financial futures data.

FINANCIAL FUTURES

Table showing Financial Futures data for various currencies and time periods.

CURRENCY FUTURES

Table showing Currency Futures data for various currencies and time periods.

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CURRENCY FUTURES

Table showing Currency Futures data for various currencies and time periods.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Last, May 88, Jun 88, Jul 88, Aug 88, Stock. Lists various series like GOLDF, GOLDC, etc.

BASE LENDING RATES

Table with columns for Bank, Rate, Bank, Rate, Bank, Rate. Lists various banks and their lending rates.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

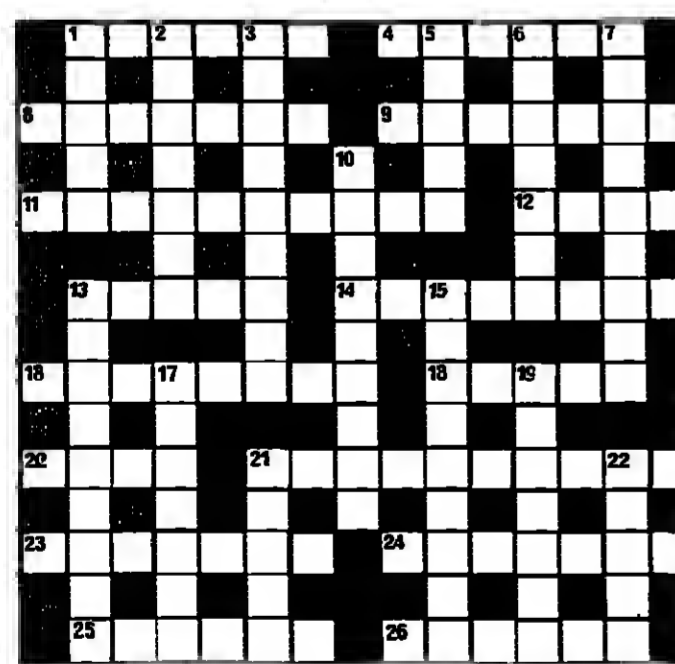
LANGUAGE COURSES

The Financial Times proposes to publish this Report on Saturday 20 February 1988

For a full editorial synopsis and details of available advertisement positions, please contact Sue Mathieson on 01-489 0033

or write to her at: Bracken House 10 Cannon Street London EC4A 3DF

FT CROSSWORD No.6,542 SET BY CINEPHILE



- ACROSS 1 Half way to clear screen (6) 2 Mr Sloan's entertaining epithet on camera? (6) 3 Pain-killer for a number having some force? (7) 4 Dog gets payment for some electricity? (7) 5 One way to give us our hoped-for super domestic? (6,5) 6 Bird in the hibiscus (4) 7 Pretty picture, dog's home (3-2) 8 Scots dress contains a two-way electrical unit (8) 9 Where Henry Best Richard, with shortened weapon between the two (6) 10 Drink and trifle, about two old pence (6) 11 Antique silver given to journalist (4) 12 The game seems to be not to let it bounce (6-4) 13 Strike causes some limping everywhere? (7) 14 Died on stage? Disgusting (7) 15 Reverse weapon to acquire something precious (6) 16 XS sounds too much (6) 17 DOWN 1 Dog concerned with noise abatement? (5) 2 President went crazy at first issue of state capital (7) 3 Bird seed in smoothing machine (8)

Solution to Puzzle No.6,541 BUTTERS COUCH REPTILICIDE ENSURED GATEAU IURE ILIT NORMA STREAKER C R P A E A C A M E L I O R A T E U N D E R N O T E U N I F O R M A N D G A N A D T R O M B O N E T I T A N I T R I S I E A O U T L I N E H A N D L E R N E E G A U D Y R E F R E S H M E N T S

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts, their managers, and performance data. Includes sections for Abbey Unit Trusts, Abbot Management Ltd, Abn Unit Trusts, etc.

FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts such as Scottish Asset Management Ltd, Scottish Equitable Fund Mgmt Ltd, and Scottish Life Investments Ltd, including their names, addresses, and contact information.

Table listing unit trusts such as Scottish Mutual Investment Mgmt Ltd, Scottish Prudential Inv. Mgmt. Ltd, Scottish Unit Managers, and Scottish Unit Managers Ltd, including their names, addresses, and contact information.

Table listing unit trusts such as Scottish Unit Managers Ltd, Scottish Unit Managers Ltd, Scottish Unit Managers Ltd, and Scottish Unit Managers Ltd, including their names, addresses, and contact information.

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INSURANCES

Table listing insurance companies and their products, including AA Financial Security, Abbey Life Assurance Co Ltd, and Aetna Life Insurance Co, including their names, addresses, and contact information.

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كلذا من الاصل

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for company name, address, phone, and various financial metrics.

MANAGEMENT SERVICES OFFSHORE AND OVERSEAS

Table listing management services and offshore/overseas unit trusts with columns for company name, address, phone, and financial data.

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Manager, and other details.

Table of London Share Service, including sections for British Funds, Foreign Bonds & Rails, and American Stocks, with columns for Name, Price, and other financial metrics.

Table of Money Market Trust Funds and Bank Accounts, listing various financial products and their details.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies and their share prices, including Alcoa, Amstar, and Amstar Chemical.

CANADIANS

Table listing Canadian companies and their share prices, including Alcan, Alcan Aluminum, and Alcan Chemical.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies, including Bank of Montreal, Bank of New York, and Bank of America.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies, including Anheuser-Busch, Heineken, and J & B.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies, including Bechtel, Bovis Lend Lease, and Bovis Lend Lease Construction.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies, including Bechtel, Bovis Lend Lease, and Bovis Lend Lease Construction.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

DRAPERY AND STORES

Table listing drapery and store companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

DRAPERY AND STORES - Contd

Table listing drapery and store companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

ELECTRICALS

Table listing electrical companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

ENGINEERING

Table listing engineering companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

ENGINEERING

Table listing engineering companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

ENGINEERING - Contd

Table listing engineering companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

HOTELS AND CATERERS

Table listing hotel and catering companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

INDUSTRIALS (Misc.)

Table listing various industrial companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

INDUSTRIALS (Misc.) - Contd

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INSURANCES

Table listing insurance companies, including Alkermes, Alkermes Chemical, and Alkermes Chemical.

LONDON SHARE SERVICE

INSURANCES - Contd

Table listing insurance companies and their share prices, including Royal Indemnity, Commercial Union Assurance, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table listing paper, printing, and advertising companies and their share prices, including Newsprint, Printers, and Advertising agencies.

TEXTILES - Contd

Table listing textile companies and their share prices, including various spinning and weaving firms.

TRUSTS, FINANCE, LAND - Contd

Table listing trusts, finance, and land companies and their share prices, including investment trusts and financial institutions.

OIL AND GAS - Contd

Table listing oil and gas companies and their share prices, including exploration and production firms.

MINES - Contd

Table listing mining companies and their share prices, including various metal and coal mines.

LEISURE

Table listing leisure companies and their share prices, including hotels, resorts, and entertainment firms.

PROPERTY

Table listing property companies and their share prices, including real estate and development firms.

TABBACOS

Table listing tobacco companies and their share prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies and their share prices.

OVERSEAS TRADERS

Table listing overseas trading companies and their share prices.

MISCELLANEOUS

Table listing miscellaneous companies and their share prices.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies and their share prices.

COMMERCIAL VEHICLES

Table listing commercial vehicle companies and their share prices.

FINANCE, LAND, ETC

Table listing finance, land, and other companies and their share prices.

PLANTATIONS

Table listing plantation companies and their share prices.

MINES

Table listing mining companies and their share prices.

THIRD MARKET

Table listing third market companies and their share prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies and their share prices.

SHIPPING

Table listing shipping companies and their share prices.

OIL AND GAS

Table listing oil and gas companies and their share prices.

DIAMOND AND PLATINUM

Table listing diamond and platinum companies and their share prices.

FRANCE

Table listing French companies and their share prices.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks and their share prices.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies and their share prices.

SHOES AND LEATHER

Table listing shoes and leather companies and their share prices.

SOUTH AFRICANS

Table listing South African companies and their share prices.

TEXTILES

Table listing textile companies and their share prices.

TRADITIONAL OPTIONS

Table listing traditional options and their prices.

PROPERTY

Table listing property companies and their share prices.

FINANCIAL SERVICES

Table listing financial services companies and their share prices.

GENERAL INVESTMENT

Table listing general investment companies and their share prices.

INDUSTRIAL

Table listing industrial companies and their share prices.

TELECOMMUNICATIONS

Table listing telecommunications companies and their share prices.

UTILITIES

Table listing utility companies and their share prices.

WARRANTS

Table listing warrant companies and their share prices.

LONDON STOCK EXCHANGE

Trade figures brushed off as Government bonds and equities advance in active trade

Account Dealing Dates table with columns for First Dealings, Last Dealings, and Account Dates for various months.

THE DISCLOSURE of a UK trade deficit for December at the end of City forecasts failed to upset the UK securities markets yesterday.

Turnover in equities increased significantly, boosted by renewed speculative trading in oil shares as Elf, the French Group, increased its terms for Tricentrol, just as Atlantic Richfield swooped on the market to pick up 14.6 per cent of the Tricentrol equity.

The broad range of the market was encouraged by a heavy-weighted investment circular from Nomura Securities which expects London to outperform other major markets in the coming months.

Share volume through the Seaq system totalled 685.4m in 5.0pm, nearly twice the levels recorded earlier in the week. The figure included 46m shares in Tricentrol, 7m British Gas, 9.1m BP "old" and 5.3m "new", 4.9m Ultramar, more than 2m in Enterprise Oil and 1.6m shares in Barmah.

running from the British-BP-Aro case. The rest of the oil sector roared ahead like a bonfire. There was Japanese buying of British Gas and Glaxo, both of which featured in Nomura's list of twelve recommended "core" companies.

Government bonds continued to respond to the strength of the New York bond market, which gave an additional boost to the close of the London market.

The sector quickly recovered, on the back of the foreign exchange markets, and by the end of the day, gains ranged to a full point in the longs. Short-circuited gilts were less active, but added about 1/2 as concerns over upward pressures on base rates continued to fade.

Tricentrol shares were quickly marked up by 20 to 180p as Salomon and Kleinwort Benson led the buying foray which took the shares to a closing level of 187p. The market is looking for an "action" of Tricentrol, with Elf's increased offer of 160p already brushed aside on the hope that Atlantic Richfield will employ some of its profit on its British stake.

FINANCIAL TIMES STOCK INDICES table showing various indices like Government Securities, Fixed Interest, Ordinary, Gold Mines, etc., with columns for Jan 28, Jan 27, Jan 26, Jan 25, Jan 24, and Year Ago.

Day's High 1430.0 Day's low 1413.7

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-0898 123001

up at 246p following a surprise offer of 240p per share cash from fellow property group Peaschey. The bid values EPIC, which is primarily involved in industrial property, at 258.5m and the price of 240p represents a premium of some 20 per cent over the EPIC share price of 200p on January 8 this year.

282p to end 3 down on the day at 286p. E.P. Balmes, the eldermaker and wholesaler of wines and spirits, eased on the loss of a contract held by subsidiary Dent & Reuss for the past fourteen years.

stock left Argyle Trust 8 down at 81p. The major clearing banks displayed no set trend, but trading volumes were higher than of late. Lloyds slipped 5 to 253p on a turnover of 3.7m shares.

Proposals for the reconstruction of a trio of investment trusts managed by Ivory & Sime were none too well received. The terms were described as inadequate, and marketmakers said that the deal was far from neat.

Trading also got underway yesterday in Verdon International, after its merger with listed engineering company Brown Engineering, the shares traded between 18p and 24p prior to closing at 22p.

NEW HIGHS AND LOWS FOR 1987/88 table listing various stocks and their price movements.

several bright features with institutional buyers re-emerging for selected quality stocks, including Tarmac, finally 7 higher at 232p, and Marley, which closed 6 1/2 up at 149p.

Share Drax, dealt in on the the USM market, featured a jump of 38 to 260p on the announcement of a bid approach. Inevitably, Woolworth were put forward as a possible contender, but a number of dealers thought this was unlikely in view of the recent successful acquisition of Tip Top.

Maxwell Communication returned to favour, gaining 9 to 247p, but the star of the sector was Haynes Publishing which, following an excellent first-half trading performance, soared 80 to 425p in a restricted market.

Traded option contracts came out at 27.932. Calls amounted to 20,043 and puts totalled 5,970. British Gas calls were active at 4,097, while FTSE contract registered 2,160 calls and 1,366 puts.

Traditional Options table listing various options and their prices.

FT ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT Actuarial Indices showing Equity Groups & Sub-sections, Fixed Interest, and Average Gross Redemption Yields.

LONDON TRADED OPTIONS

Table of London Traded Options showing various options like Allied-Lycos, Biff. Airways, etc., with columns for Calls and Puts.

TRADING VOLUME IN MAJOR STOCKS

Table of Trading Volume in Major Stocks listing various stocks and their trading volumes.

RISES AND FALLS YESTERDAY

Table of Rises and Falls Yesterday showing price changes for various categories.

LONDON RECENT ISSUES

Table of London Recent Issues listing newly issued stocks and their details.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks listing various fixed interest securities.

WORLD STOCK MARKETS

Table of world stock markets including Australia, Canada, France, Germany, Italy, Japan, Netherlands, and Sweden. Columns include country, date, and various stock indices.

CANADA

Table of Canadian stock markets including Toronto and Montreal. Columns include stock name, price, and change.

Table of Japanese stock markets including various indices and individual stock prices.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of over-the-counter stock prices from the Nasdaq national market, listing various companies and their closing prices.

Indices

Table of various stock indices including Dow Jones, Standard and Poors, and others, with columns for date and value.

CHIEF LONDON PRICE CHANGES YESTERDAY

Table showing price changes for various commodities and currencies in London.

TOKYO - Most Active Stocks

Table of the most active stocks in Tokyo, listing stock names and their prices.

NEW YORK ACTIVE STOCKS

Table of active stocks in New York, listing stock names and their prices.

N. AMERICAN QUARTERLY RESULTS

Table of quarterly financial results for various North American companies, including revenue, net income, and earnings per share.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock names, prices, and changes. Includes sub-sections for '12 Month' and '13 Month' data.

NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices, including columns for stock symbols, prices, and changes. Includes sub-sections like 'Continued from Page 46' and 'Over-the-Counter'.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices, including columns for stock symbols, prices, and changes. Includes sub-sections like 'Over-the-Counter'.

Notes and footnotes regarding the data, including information about dividends, splits, and data sources.

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